

# spending wisely



An Coiste Coigiltis Náisiúnta  
National Savings Committee

# spending wisely

Money is scarce with most of us and we need to make the most of what we've got. We want it to go further and last longer.

The NSC hopes that this book on spending wisely, and what to do with what you save, will help you to spend better and make the most of your money.

By spending more wisely you'll have more to save and  
**YOU ARE BETTER OFF SAVING.**

This brochure was prepared for publication by the National Savings Committee prior to the setting-up of the National Consumer Advisory Council.

The publication is welcomed by the National Consumer Advisory Council who whole-heartedly endorse its contents.



**An Coiste Coigiltis Náisiúnta  
National Savings Committee**

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## The Weekly Shopping

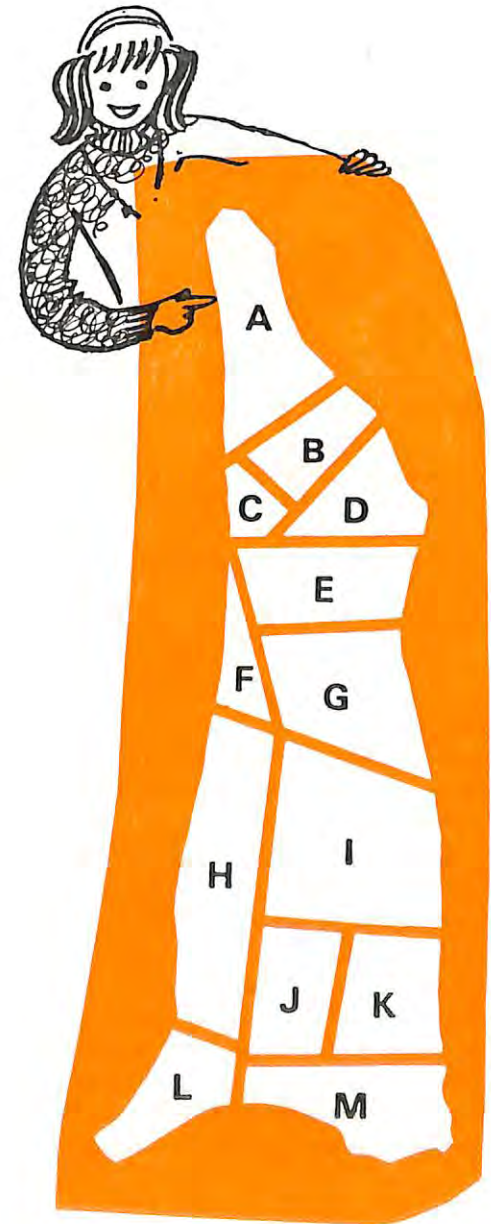


Families spend about one-third of their incomes on food and general household items. And that's a big slice of your money. So here are some suggestions to help you get the most for that slice.

- make out a shopping list and stick to it. Shop only once a week, and you'll find you're cutting down on those impulse buys which add a lot to your grocery bills.
- take only as much money as you expect to spend.
- shop by yourself if you can; bringing your husband or children can tend to make you spend more.
- try to avoid shopping when you're tired, hungry or in a hurry.
- don't pick things up unless you know you need them; if you pick something up you'll buy it five times out of ten, whether you need it or not.
- check the bottom shelves in the supermarket; the higher-profit items are usually displayed at eye level.
- don't feel you **MUST** buy the "special offers" or the "2p off" packets. A bargain is **NOT** a bargain at all unless it's something you really need.



- the “own brand” items in certain shops and supermarkets are usually cheaper than branded products according to a Consumers’ Association survey. But you must decide if you’re getting the same quality as you would with the branded goods; you usually get reliable quality in “own brand” lines, but there are exceptions.
- buy big and use sparingly. You can often save money by buying the larger sizes in food, washing powders and so on; but **ONLY** if you’re sure you’ll use the larger amount over a longer period.
- when you’re buying fruit by the ‘number’ rather than by weight, pick the heaviest rather than the biggest; a large fruit—like oranges or grapefruit—that feels light will have thick skin and you’ll get better value from the smaller, heavier fruit. Don’t buy damaged fruit.
- vary your shopping according to the time of year. Vegetables, fruit and types of meat all have seasons in which they’re at their best or cheapest or both. Cookery books or the women’s pages of magazines and papers often give good advice on this, and you could try growing your own vegetables too.
- tinned and frozen foods are useful to have for emergencies, but are dearer than fresh foods.
- try using the cheaper varieties of nutritious foods. A useful booklet called *Know Your Meat* is available free from the Department of Agriculture and Fisheries.
- watch out for packets which seem cheaper, but contain less than normal.
- buy in a shop with a quick turnover of stock and with high standards of hygiene.
- if you use a ‘book’ throw it away and shop personally for cash. Buying things on the ‘book’ encourages you to overspend since you’re not actually paying cash on the spot.





- . . . and remember  
that most big shops are designed and run to persuade you to  
spend your money,  
so be aware of the challenge of*
- soft background music
  - bargain offers just inside the door
  - the temptation of sweets and chocolates at the checkout
  - the easy accessibility of high-profit luxury goods
  - clever packaging design
  - the location of ‘search’ foods, like sugar, which the seller knows you want and are prepared to look for
  - the ‘loss leader’ technique, which is designed to get you into the shop with a good bargain, and which you can be prepared to pay for on other items

## Bigger buys

Having covered the routine shopping let’s move on to the bigger buys. Starting with shoes we’ll work on up to houses.

*. . . and remember  
the bigger the buy the less you can afford to make mistakes.*

### SHOES

These five points are worth thinking about when buying shoes.

- make sure you’ve got the right fitting and don’t just go by the size on the shoe; this is particularly important with children’s shoes.
- pick styles and colours that will be adaptable to your different outfits.
- watch out for really cheap shoes; they can fall apart in no time.
- examine the stitching, the finish and the way the uppers are fixed to the soles.
- some of the more gimmicky fashion shoes can be bad value in relation to the amount of wear they give.

### CLOTHES

Here are some hints for buying clothes.

- check labels and be sure you’re satisfied with how the clothes will wash or clean.
- get to know the different fabrics so that you can judge how clothes will keep their shape.
- check on how the seams and hems are finished.
- watch out for clothes that have too little material around the seams; the thread can pull through easily and mending is difficult.



- 'non-inflammable' materials are a good idea; 'flameproof' fabric does not spread flame; it burns in one spot and then goes out; 'flame resistant' fabric will either not burn at all or burn slowly; these points are particularly important for children's clothes.
- be wary of the boutique-style shop which puts a high profit mark-up on cheap imported fashion clothes.
- make sure clothes fit properly before you buy.
- check that clothes have a maker's label.

## FLOOR COVERING

Common sense is the best guide here, but these points are useful too.

- work out comparative costs of different types of floor covering and think about cleaning and maintenance as well as appearance.
- pick the right covering for the right area in your house. Don't, for instance, put carpet in the kitchen, and do put heavy-duty covering on stairs and hallways where you can expect heaviest use.
- you can go for the lighter-weight, less expensive type of carpeting for bedrooms.

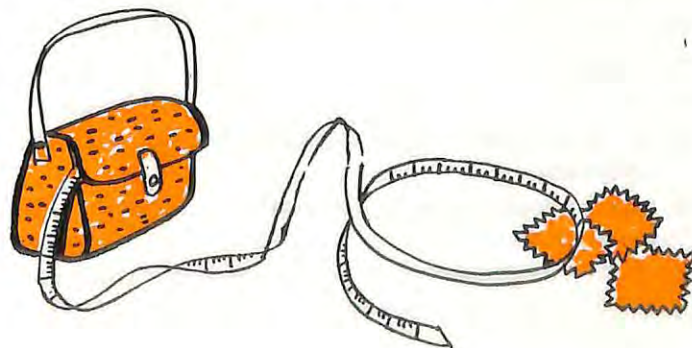
- plain light colours are a bad idea if there are children around; stains are less noticeable on patterned carpets.
- useful brochures on how to choose a carpet are available from some manufacturers.



## . . . AND FURNITURE

Furniture, like floor covering, is something you may have to live with for a long time; so don't buy in a hurry and follow these five ways of getting something you'll enjoy living with.

- never trust your memory. Carry a tape measure, and colour samples if you're matching colours, and remember that furniture looks smaller in the shop than it does when you get it home.



- the amount you spend should relate to the length of time you can use what you buy.
- if there's a price reduction find out why; the shop could be clearing a discontinued line or the furniture might be damaged.
- watch out for woodworm and clever repair jobs in secondhand furniture.
- sleep on it—not literally of course—but always go home and think about it before you buy.



## APPLIANCES

When buying a household appliance like a fridge, washing machine or cooker . . .

- buy a recognised brand.
- buy from a dealer you can depend on, who can service the equipment.
- make sure you can get reliable service in a hurry if you need it.
- check your guarantee; we go into guarantees later on.
- check if the price marked includes delivery and installation.

## THE COST OF A CAR

Before you buy one you should do a few sums on the cost of having a car.

The average family car costs about £11 a week to run. That includes insurance, road tax, petrol, oil, tyres and servicing, as well as depreciation.

So go into every detail before committing yourself. If you honestly can't afford what you estimate it would cost, leave buying the car for another year or two, so that it won't become a burden.

## BUYING A HOUSE

This is very likely to be the biggest buy you'll ever make and because of all the important details involved it is better to recommend a booklet, which covers it fully, than to give the bare outline here. If you're thinking of buying a house, the booklet you want is *A Home Of Your Own*. It's published by the Department of Local Government and can be obtained, free of charge, from that Department, O'Connell Bridge House, Dublin 2.

## SHOPPERS' GUIDE

- shop around
- keep receipts
- check your bills
- a husband and wife should always shop together for *big* buys



*Remember to Buy Irish. Good shoppers give preference to Irish-made goods when the goods compare favourably with similar imports in terms of quality, design and value for money. If anything goes wrong the manufacturer is on your own doorstep. And supporting home industry keeps Irish money circulating within the country, providing work at home for Irish people.*



*Genuine Reductions!*  
*Buy now!*  
*Great Bargain Sale!*

Genuine sales are often a good opportunity to get value for money; but only if you want what's being sold.

- plan buying certain necessary items at sale times—like after Christmas or summer.
- the best sales are the ones run by established shops.
- get to know prices and compare sale prices with what things normally cost.
- white goods, furniture and clearance sales are usually reliable.
- fashion sales often have genuine reductions when the shops are clearing stock for the next season's fashions.
- some goods are made up specially for sales; they can be fair value.
- always remember a bargain is NOT a bargain unless it's something you need.
- if you're an impulsive buyer **STAY AT HOME!**

## SALES TERMS

Here are a few sales terms which—if they're properly used by the shops—are a useful guide.

- shopsoiled:* means what it says—only soiled; can be a good buy if it will wash or clean satisfactorily.
- slightly damaged:* may be good value; check the damage first
- faulty:* forget about it unless you're sure you can have it fixed economically.
- seconds:* usually have only minor defects and can be a good bargain.
- substandard:* means that it is below the standard you would normally accept; can be a bad buy.
- genuine reduction:* fine if the reduction IS genuine; look out for exaggeration.

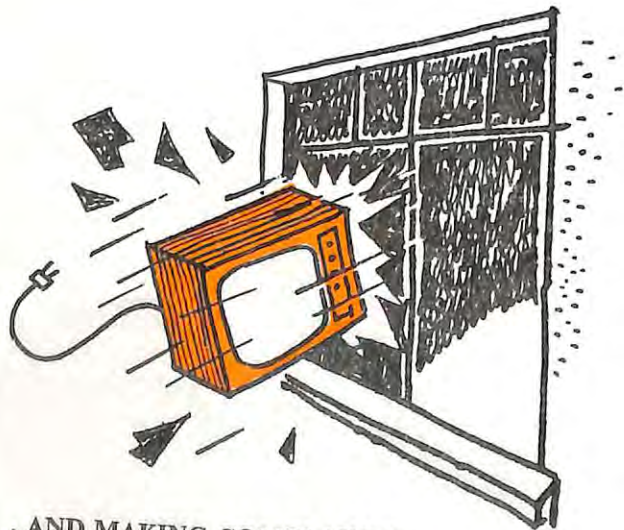


## LOOKING AT LABELS . . .

Labels are not decorations and good ones give useful information. A good label shows

- the maker's or distributor's name
- what the item is made from and, perhaps, how it was made
- how to use the item and how it will perform
- washing or cleaning instructions if it's a clothes or fabric label

Read all labels, swing tickets and guarantees. This will help you to find out more about what you're buying.



### ... AND MAKING COMPLAINTS

Many people are shy about complaining when they discover they've bought something faulty. But you shouldn't hesitate to bring back whatever you've bought if the complaint is justified. Bring along the receipt too, and talk to somebody in authority at the shop. The law is quite clear about your rights. If what you buy is not fit for its usual purpose the seller **MUST** make good your complaint. He should either replace or repair the faulty article, and while he is not obliged to give you a full

cash refund, he may often do so in the interest of his good reputation.

If your reasonable complaint is not satisfactorily settled by the seller you can take him to court and sue for damages. But this, of course, is a last resort and is rarely necessary.

If you find it easier to complain in writing than in person, you should address your letter to a person in authority and keep a copy of your written complaint. The golden rule is: be reasonable and don't exaggerate. If you have signed a guarantee the seller may be free from responsibility and the manufacturer will deal with your complaint.

Finally, you have little comeback on an unsatisfactory purchase from an unidentified door-to-door salesman, if no maker's name is shown on the product. So be doubly careful about people calling to sell you things at your door.

### SPEAKING OF GUARANTEES

When you buy something it's good to know that a reputable manufacturer is prepared to guarantee it, even if for a limited period. But be careful. The word **GUARANTEE** has good selling value and can be used to boost sales rather than protect the buyer against defective goods.

- a guarantee is only as good as the person or firm that gives it.
- signing a guarantee means that you have accepted its terms and you may find that you've limited your rights.
- it's better to have no guarantee than to sign a bad one, so read all guarantees and make sure you know what you're signing.



Here are some points worth noting about what is covered by a guarantee.

- how long does it last?
- is the whole or only part of the item guaranteed?
- who pays transport to and from the manufacturer if a fault crops up?
- who pays labour costs involved in repairs?
- does the guarantee apply to the buyer only?  
—this can create problems in the case of buying presents.
- does the guarantee release the manufacturer from liability if his goods cause you injury?
- how about 'wear and tear'?  
—everything wears out eventually, but unless what

you buy lasts longer than the guaranteed period the article is not fit for the purpose for which it was sold. So do not agree that 'wear and tear' during the guarantee period can be ignored by the manufacturer. This 'wear and tear' clause often appears, and can be interpreted in the manufacturer's favour later on.

### THE POWER OF THE PERSUADERS

Advertising is all around us. On television and radio, in the papers and magazines, on hoardings and buses and in the cinema.

Advertising—gives information  
—persuades us to buy

The information side of advertising is fine, because it's useful to the consumer.

The early ads just said what was for sale, where and how much.

Advertising contributed to mass production and put otherwise expensive goods in reach of the average consumer. Advertising also contributes to the news and entertainment media and puts them within our price bracket. And so on. But advertising is also a powerful persuader and can be dangerous. It can persuade us to buy things we can't afford or don't need.



## NOTHING'S FREE

Watch out for free offers too. Nothing is free.  
If you don't pay for it in one way you pay for it in another.

- build up a healthy resistance to advertising and sales promotions and train yourself to spot the advertisements that are either misleading or that play on your emotions.

## YOU AND THE LAW

Here are a few points on your legal rights as a consumer which will help you to know where you stand.

*Exchanging Goods* although most shops will exchange goods if you've made a genuine mistake, this cannot be enforced by law. So keep your receipts and go back to exchange things, if you have to, when the shop is not too busy.

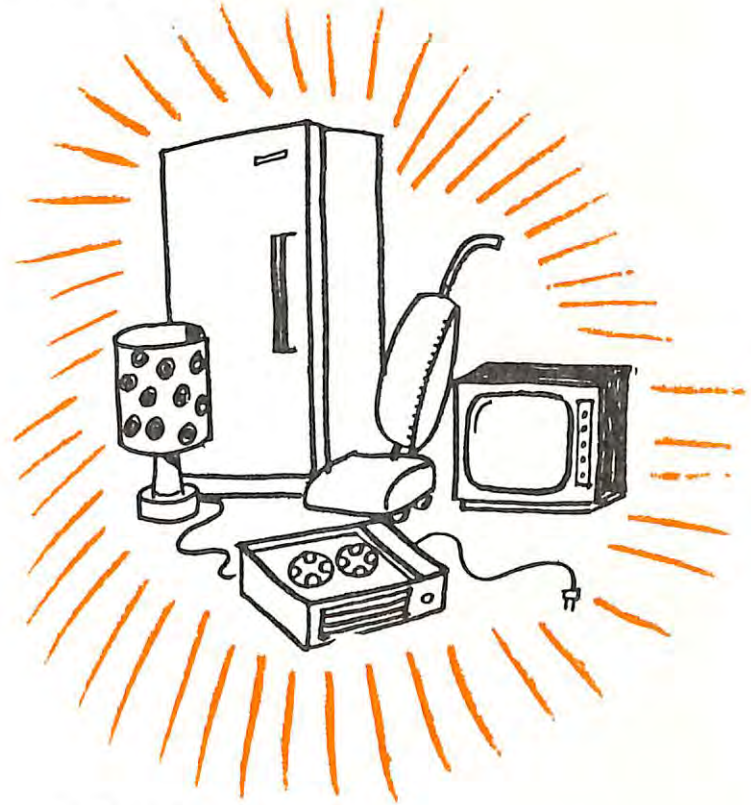
*Window Prices* a display is only an invitation to buy; it's not a contract. So you are not entitled to insist on buying something for the price displayed in the window.

*Wrong Labelling* if a garment is labelled 'genuine fur' or an article 'genuine silver' for instance, and you discover the label was wrong, you have the right to claim damages for misrepresentation.

*Wrong Change* many people don't realise that the buyer is responsible for giving the correct amount of money and the shop is merely obliging its customers by providing the facility of giving change; so check your change on the spot since you have no legal right to have an error rectified.

*Guarantee or Warranty* The law provides a basic guarantee with all goods sold. Don't accept a seller's guarantee or warranty if it worsens your rights rather than improves them.

## Getting it easy



## HIRE PURCHASE

Hire Purchase means that you can buy an expensive item without having to pay the full price all at once. You pay a deposit and agree to pay the balance by instalments. It can be very useful. But HP has its drawbacks too. It tempts people to buy things they don't need or can't afford. The difference between the cash price and the Hire Purchase price may be enough to put you off.

If you hire an article you should be informed in writing of the purchase price of the article, the hire purchase price of it and the number and frequency and amount of each instalment.

You may prefer to save for the article instead and get it much more cheaply. You pay a high rate of interest with HP. The interest rate quoted for Hire Purchase, and indeed for other loans, is not usually a 'true' interest rate and an article which you think is costing you 9% in interest charges may, in fact, be costing you nearer to 18%.

### CREDIT ACCOUNTS

Budget plans or credit accounts with particular shops come into the same kind of area. They cost money. They can limit your choice to the shop in which you have the account. And they encourage you to buy more freely than if you were paying cash.

### BUDGET FIRMS

Budget firms—which settle your bills on condition that you pay them a fixed regular amount—have their drawbacks too. You pay for the service. There can be security risks in certain cases. Your personal responsibility is removed and this is a poor habit to get into.

You're generally better off managing your own money. so try avoiding credit cards too.



All sorts of shops use the terms SAVE, BIG SAVINGS, and so on, in their advertising. And there's no doubt that the good shopper CAN save by either making the money go further or by having more money to save.

Interested in saving?

Yes, you're interested in saving, because, as we all know, if we didn't save there would be things we could never afford to buy and things we could never afford to do. And savings give a sense of security and peace of mind; if you have something put aside in a savings account you won't become upset or depressed about making ends meet.

And, besides saving for the short-term things like holidays, clothes and so on, what else can you put within reach by saving? It depends on what we want from life. Young people, for example, might save for

- car
- marriage
- buying a house
- furnishing a flat
- the bottom drawer
- setting up in business
- providing for a dependant
- an emergency

And the not so young might save for

- their children's higher education
- starting the children on careers or setting them up in business
- refurnishing after the family's grown up
- being able to grasp a business opportunity
- a hobby
- a more comfortable retirement

And what has this to do with shopping?

There is one thing the good shopper should know; that instead of paying the shopkeeper first—by spending, you should PAY YOURSELF first—by saving and then do your spending afterwards. That's planning ahead. And that's how to win.

### SAVING — HOW

The secret of saving is to do it REGULARLY. Every week or month, depending on when you're paid. Saving is a habit and just like any other habit it's easy to continue once you've made a start. So open a savings account and put a certain amount into it REGULARLY. Choose a way to save which will make it easy for you to put in those regular deposits. That makes it convenient for you and gives you a better chance of keeping it up. Save for a fixed purpose. That makes it easy too.



If you are working, save in a Savings Group where you work—it's the easiest way of all. Ideally you should have both long term and short term savings plans. Write to the National Savings Committee for the free booklet *Savings for Everyone* and you'll get details of both, suggestions on how to use your savings, how to pick the savings plan to suit you best and where to save.

### SAVING — WHERE

Has it ever occurred to you that your local post office is a savings supermarket with a wide range of savings services

Savings Stamps, the Post Office Savings Bank, Savings Certificates, Investment Bonds, Prize Bonds and National Instalment-Saving.

Then there are the Trustee Savings Banks, which, as well as offering excellent savings services, also have most of the normal commercial banking facilities.

Or the Agricultural Credit Corporation and Industrial Credit Company. All these are State-guaranteed and give you absolute security. And other excellent forms of saving are Life Assurance, the Commercial Banks, Building Societies and Credit Unions.

—FINALLY

We've gone through hints on the weekly shopping and bigger buys, and dealt with sales, guarantees, advertising, consumer rights and saving.

The message of the booklet is that you CAN save by spending wisely and having realised that, and put it into practice you can more easily provide for yourself and your family by having definite short term and long term savings plans.

*Remember—shopping wisely is saving  
And you are better off saving.*



**Look for the Guaranteed Irish symbol on the best of everything Irish. You'll meet it everywhere in stores that offer quality and value.**

## National Savings Committee Publications

- *Family Budgeting*
- *Moneycraft* (For Youth)
- *Moneycraft* (A Handbook for Teachers)
- *Savings for Everyone* (*Coigilt do Chách*)
- *Secure Ways to Save* (*Slite Slán le Coigilt*)
- *School Leavers' Guide*
- *Spending Wisely*
- *Spending Wisely for the Single Girl*
- *The Challenge of Retirement*

*All available free from*

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