

# MANAGING IN TOUGH TIMES

# FAMILY FINANCIAL MANAGEMENT

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## THIS MONTH'S TOPIC:

## Buying in Bulk: What You Need to Know

**B**ulk buying can save you and your family valuable money. However, when done incorrectly, bulk buying has the potential to cost you money. Buying in bulk requires careful planning and budgeting to guarantee that you are getting the best savings while avoiding waste.

There are many benefits to buying in bulk. You will notice that buying your favorite products in larger quantities typically costs less. Additionally, bulk products allow for less packaging waste, healthier food choices, and consumers typically spend less time shopping for bulk products.

While many shoppers think of their local warehouse store as the only or best place to buy bulk products, many local grocery stores, health shops, cooperatives, and online stores also offer bulk products. It is important to survey the area in which you live to determine where you will be able to find the products that you wish to purchase at the best prices.

Continued on the back →

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## Continued from page 1

The following guidelines are also important to keep in mind when buying in bulk:

- **Calculate the cost per unit.** Many stores will provide the cost per unit of the product that you are interested in buying. However, some stores will not. To calculate the cost per unit, figure out how many units you will be buying. A unit is the actual amount of something that you will be buying. For example, the number of ounces of orange juice that will you get in the bottle are the units. Cost per unit requires that you take the total cost of the product and divide it by the unit. To save money, you should aim to spend at least 50% below what you usually pay per unit.
- **Buy bulk items gradually.** If you are a first-time bulk buyer, it is tempting to buy everything in bulk at once. However, doing so will cost you a lot of money upfront. Consider gradually introducing bulk items into your household.
- **Make sure that you have enough storage space.** Buying in bulk requires adequate storage space. If you have a garage, basement, or closet at home, carefully determine how much space you can set aside for bulk purchases. Keep in mind that some bulk purchases will require refrigeration or freezing.
- **Use caution when buying perishable foods.** Only buy perishable foods in bulk when you know that you will be able to consume, can, or freeze these products within the next few days. Allowing perishable items to spoil will waste both the product and your money.
- **Never buy something that you have not tried before.** Bulk buying is not the time to try new products. If, for some reason, you decide that you do not like the product, you will either be stuck using it or wasting it.
- **Take advantage of coupons and sales.** Many bulk suppliers will offer coupons and sales on certain products. Be sure to review weekly circular ads to stock up on coupons that you may be able to use for your purchases.
- **Avoid impulse purchases.** While it may be tempting to buy a giant tub of your favorite snack, be mindful of your shopping list and budget. Impulse buys may impact your spending as well as the amount of space that you have at home to store other products.
- **Consider sharing your bulk items with friends and family.** If you are limited on space or budget and still wish to buy in bulk, ask your friends and family if they would be willing to split purchases with you.
- **Evaluate your bulk buying.** Keep track of your receipts and track your bulk buying. Are there items that didn't last as long as you had planned or items that you forgot about? Did you find better deals on certain products at different stores or in smaller quantities? Many retailers are competitive and will offer sales so be sure that you are flexible in your shopping routine.

Becoming a successful bulk buyer takes time! Don't beat yourself up if you find that you have a few missteps along the way. You will become much more comfortable with the process once you have done it a few times and are familiar with brands, prices, and store offerings.

By following these tips, you and your family can save a significant amount of money. Before you dive into bulk buying make sure that you investigate your options. There are many stores that offer bulk items, and some stores carry brands that other stores do not; be aware of weekly sales or featured products.

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