



# **Resourcefulne\$\$: Embracing the New Frugality in Tough Times**

**AAFCS TIS Community and FERM Community**

**TIS: Marilyn Swierk and Mary Behrendt**

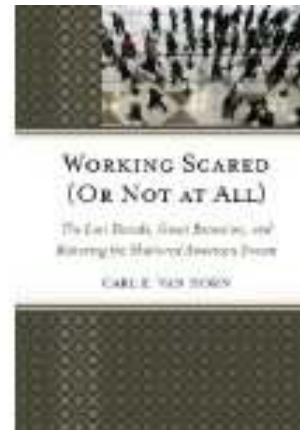
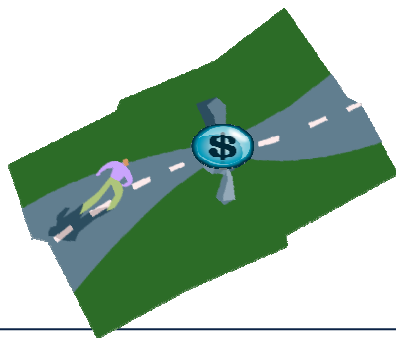
**FERM: Barbara O'Neill and Faye Griffiths-Smith**

# How Many of You Were Personally Affected by the Great Recession?

**2013 Rutgers Study (N =1,090 nationally representative sample)**

- 73% either lost a job themselves or had a household member, close relative, or friend lose a job
- 56% reported having less money in savings after recession
- 6 in 10 believe that U.S. economy has undergone a permanent change

<http://news.rutgers.edu/medrel/news-releases/2013/february-2013/rutgers-heldrich-cen-20130207>





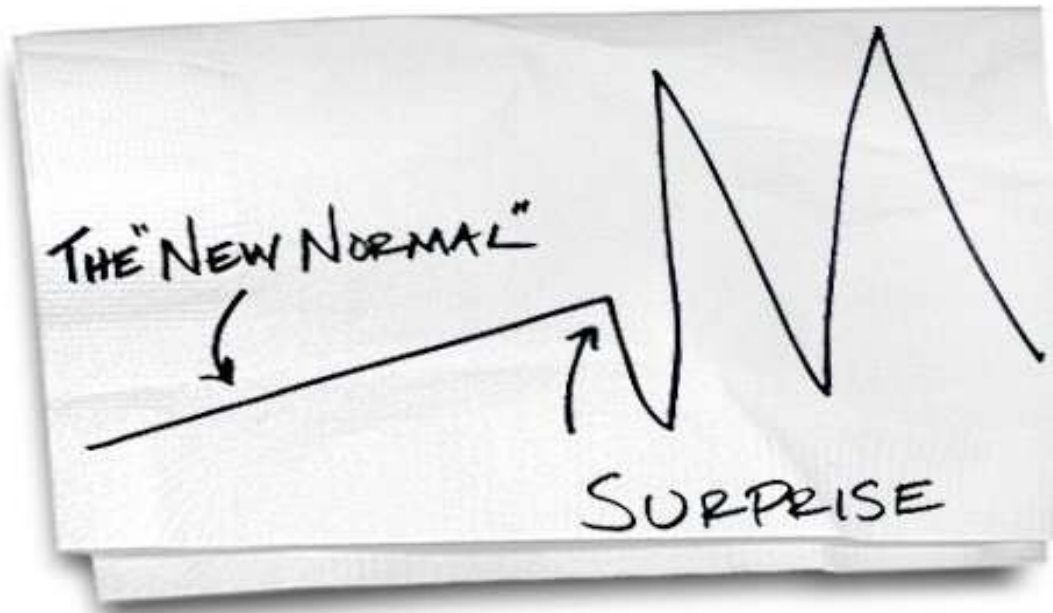
# Background Statistics



- Weakest U.S. economic recovery since WW II
- Slow recovery slog feels like a recession
  - Hard to recover when earnings tread water or decline
  - Deleveraging debt also slows economic growth
- 9% of Americans (4 million) moved locally during 2007-2009 Great Recession
  - Many moved to cheaper housing or to “double up” with family and friends
- Steep decline in U.S. birth rate (especially among immigrants)

# “New Normal” Analogy

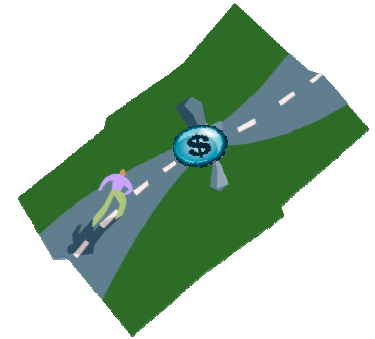
The “New Normal” and  
Trump Plaza Hotel  
Penthouse (Atlantic City, NJ)



# “New Normal” Characteristics

An extended period of:

- Slow U.S. economic growth (GDP)
- Stubbornly high unemployment levels
- Precarious job security (public and private sector)
- Struggling housing market
- Tightened credit standards
- Increased precautionary household savings and debt repayment
- Constrained household spending
- “Broken promises” (salary, benefits, etc.)



# Baby Boomers and Older Gen Xers Especially Affected By the Financial Crisis

- Fully experienced, not just one asset bubble- BUT TWO- during long stretches of their working lives
  - “Tech Bubble” and extraordinary run of double-digit stock market returns in late 1990s
  - “Housing Bubble” during much of the 2000s

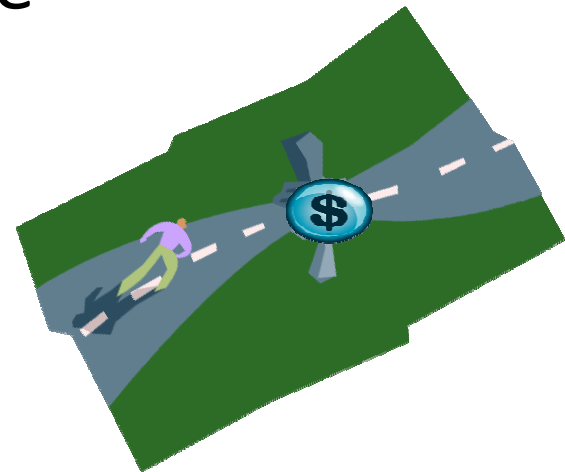


- *Money Magazine* (April 2009):

“A generation of Americans grew into middle age thinking that they had more wealth than they really did and their future was a lot more secure than it really was.”

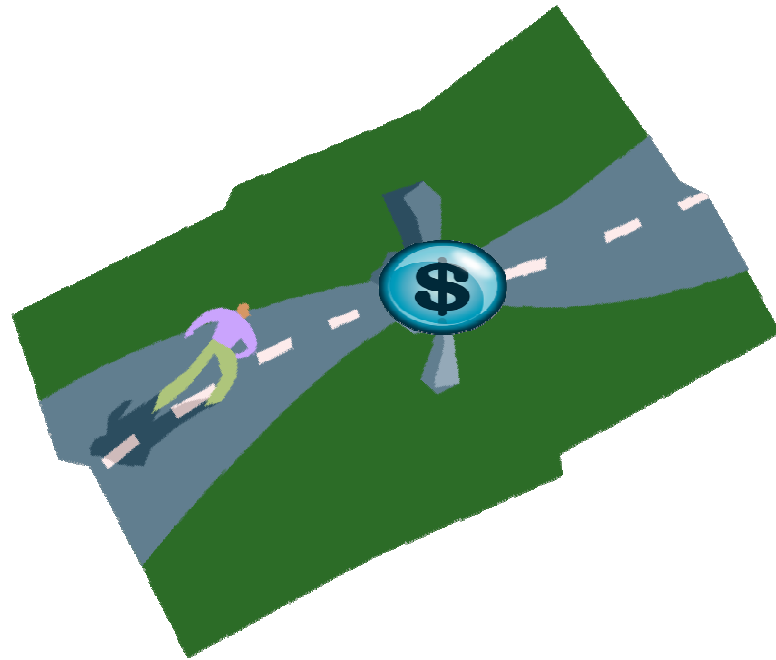
# Responses to Tough Economic Times

- Work longer until retirement (if possible)
- Move to downsize housing costs
- “Moonlight” for extra income
- Access public benefits
- Increase human capital
- Save less or save more
- Sell possessions
- Resourcefulness\$



# Group Brainstorming Activity: How Can People Reduce These Expenses?

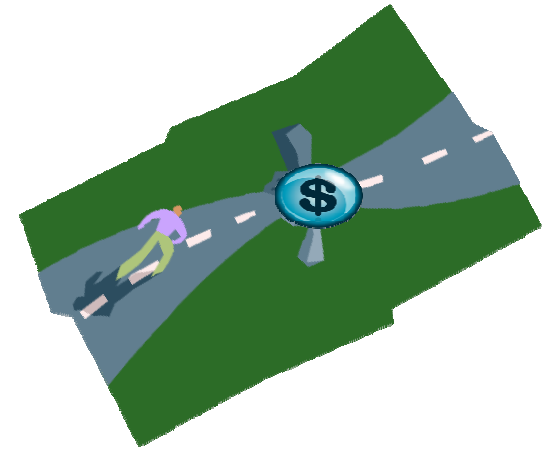
- Food
- Clothing
- Housing
- Utilities
- Insurance
- Travel
- Entertainment





# So What Exactly is Frugality?

- “Economy as in the expenditure of money or the use of material resources”
- “Costing little; inexpensive”
- “The lack of wastefulness”
- “Avoiding waste, lavishness, or extravagance”
- “Being sparing, thrifty, prudent, or economical in the use of consumable resources such as food, time, or money”



# Quotes About Thrift

- “I believe that thrift is essential to well-ordered living.”

**John D. Rockefeller**, wealthy industrialist and philanthropist  
(1839-1937)

- “Thrift was never more necessary in the world’s history than it is today.”

**Francis H. Sisson**, VP, Guaranty Trust Company (1920s)

- “Whether we’re talking about socks or stocks, I like buying quality merchandise when it is marked down.”

**Warren Buffet**, Investor and CEO (1930-)



# 10 Resourceful Strategies to Take to the Streets



# 1. Couponing

- Use for supermarkets, restaurants, department stores, entertainment venues, etc.
- **“Single Play”**- Use coupon alone to lower price
- **“Double Play”**- Sale price or markdown + coupon
- **“Triple Pay”**- Sale price/markdown + coupon + product rebate or other reward



# Extreme Couponing

- Subject of reality TV show:

<http://www.tlc.com/tv-shows/extreme-couponing>

- The activity emphasizes accumulating large quantities of “stuff” as well as saving money
- Disadvantages include wastefulness, overspending (spending money to save money), clutter, and hoarding



## 2. Reselling

- Ideally, want to “buy low, sell high” (like stock)
  - Some people arbitrage “stuff” to make money
  - Example: buy at garage sale; sell at consignment store
- Provides a way to get some money back on
  - Unwise purchases
  - Outgrown items
  - Inherited estate sale items
  - “Spendster” items (see <http://www.spendster.org/>)
- Venues include online, garage sales, flea markets

# 3. Consigning

- Place items with a consignment shop for sale
- Generally only items in very good condition
- Agreed upon split of sale proceeds (e.g., 60/40)
- Designated time period for sale
- Can take proceeds in cash and/or store credit to buy merchandise



# 4. Thrifting (Thrift Shop Use)



## A Real “Win-Win-Win-Win”

- Non-profit organization gets needed funds
- Donors get tax deduction and satisfaction from helping the non-profit and other people
- Shoppers get great deals on clothes, housewares, furniture, home furnishings, etc.
- The environment is helped by less landfilling and reuse of items



# Bag Sales: A Thrift Shop on Steroids!!



**Morning Glory**  
A Thrift and Gift Shop

**Morning Glory's \$ 5/BAG**

**Winter Clearance Sale is here!**

**Thursday April 4th – Sunday April 28th**

**\*All Winter Clothes & Accessories**

\*Specially marked items not included

Morning Glory is located at 134 Main Street (Route 205) Andover Borough, NJ. (It's the blue building right next door to the Main Street Grille/Andover Inn).

The Morning Glory Shop is a fund raising initiative of DASI Domestic Abuse and Sexual Assault Intervention Services. All profits from Morning Glory go to help survivors of domestic and sexual violence and their families in Sussex County.

For more information about DASI's services and programs please visit us at: [www.dasi.org](http://www.dasi.org). Please find Morning Glory on Facebook at [www.facebook.com/DASImorninggloryshop](https://www.facebook.com/DASImorninggloryshop)

We welcome donations! Donations are accepted Wednesday-Friday between the hours of 11:00-4:00 pm and weekends by appointment. For info on what Morning Glory accepts and to arrange a pick up or drop-off appointment, please call us at 973-786-0018 or email us at [mgs@shop@dasi.org](mailto:mgs@shop@dasi.org).



**Morning Glory is located at:**

**134 Main Street**

**Andover, NJ**

**973-786-0018**

**Store Hours:**

**Wednesday-Sunday**

**11:00am-5:00pm**



**Personal Experience:** Four bags @ \$5 = \$20  
40 usable items @ 50 cents (jackets, shoes, suits, pants)  
18 other items donated to Fire Department clothing box

# Thrifting through Yard Sales

## Check your local paper, bulletins, Craig's list

- Community sales are the best use of your time
- Church and organization sales
- Fill a bag for a buck
- Early bird or late in the day?
- Curb alerts



# Thrifting at Your Favorite Stores

- Get to know the sales people for a heads up
- Learn days and times of month for markdowns
- Use store coupons and sales to double dip
- Learn their automatic reduction policies
- Ask for markdowns on items that need repair
- Store credit cards...value or not?
- Love those Dollar Stores!

# 5. Renovation

- Refinishing furniture
- Gluing or nailing broken furniture
- Caning and rushing chair seats
- Painting and repolishing items
- Removing marks and stains
- Sewing hems, rips and tears, etc.
- See <http://pinterest.com/paperstories/home-renovation-ideas/> for great photos
- Other ideas?



# Repainted Furniture





## 6. Repurposing

- The use of something for a purpose other than its original intended use
- Can be done by modifying an item or simply using it in another way



### Examples:

Two tables into a hutch and a wine rack into a towel rack

Other ideas?

# More Repurposing



# Still More Repurposing



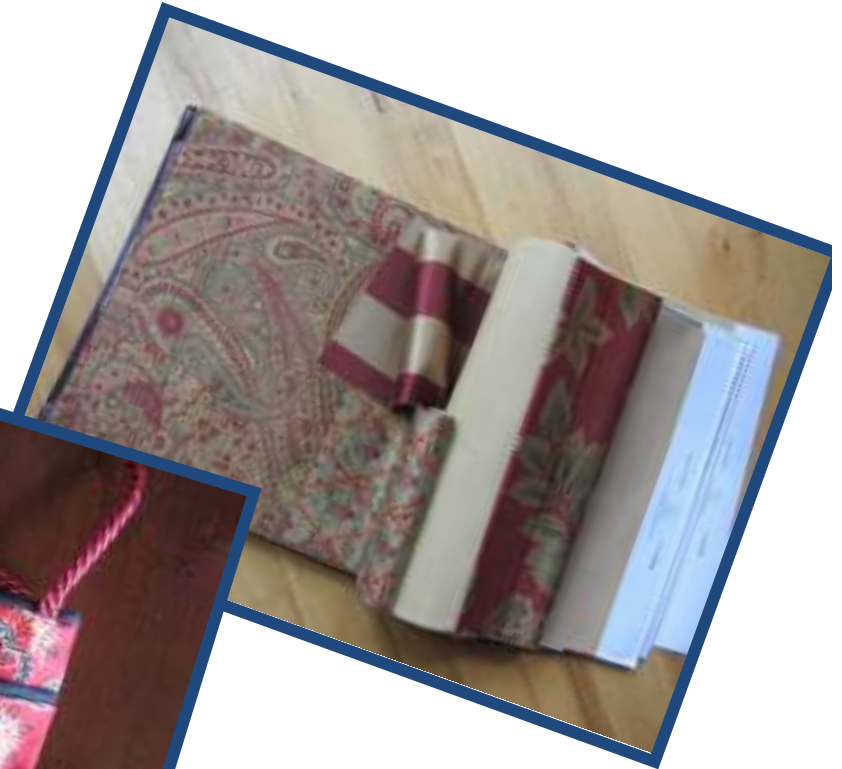


# 7. Recycling

- Re-using a product beyond its intended use or producing new products from recyclable material
- Find a “new home” for products
  - Resource: <http://www.freecycle.org>
- Take advantage of recycling trash containers and recycling garbage pick-up services
- Helps people get rid of “stuff” responsibly
- Prolongs the usefulness of landfills



# Joyce's Recycle and Revisit Slides



# Kindle Covers from Placemats





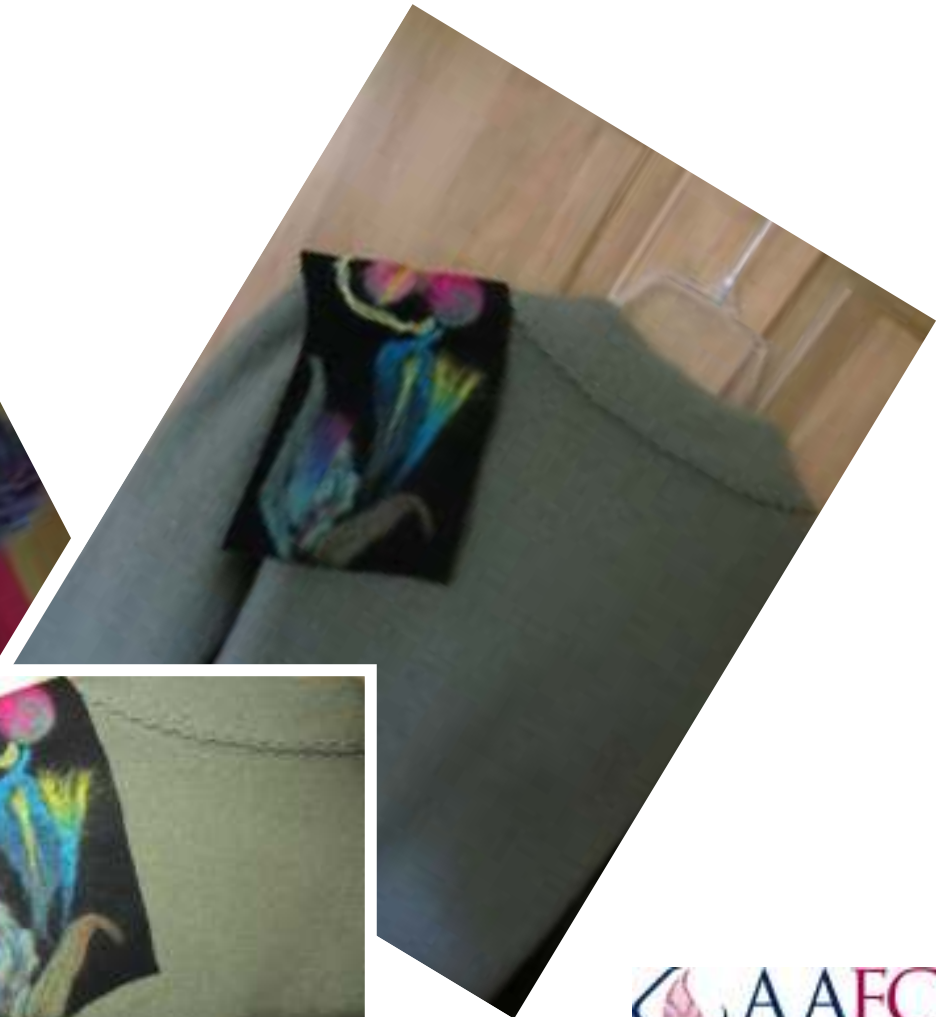
# From a Thrift Store Party Dress



# From a \$2 Chico's Jacket



# Perfect for Wool Felting





# Recycle into Party Purses



# 8. Do-It-Yourself Projects

Building, fixing, and/or doing things

- Crafts from fabric scraps and raw materials
- Wood-working from wood scraps
- Mending clothing
- Fixing cars, computers, etc.
- Home-made meals
- Other ideas?





# 9. Homemade “Commercial” Items

- DIY gifts and gift baskets
- Jams and jellies, baked goods
- Homemade cleaning products
- Artwork and crafts
- Needlework
- Other?

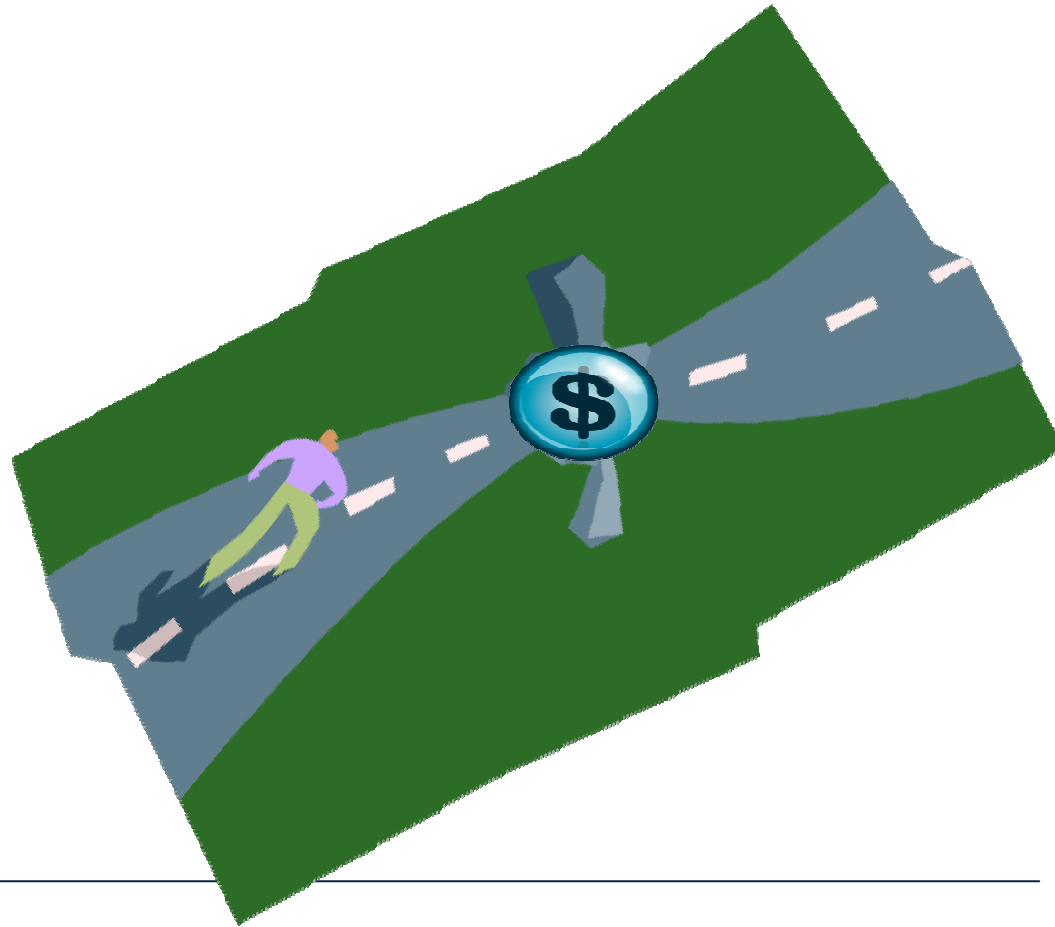


# 10. Internet Resources

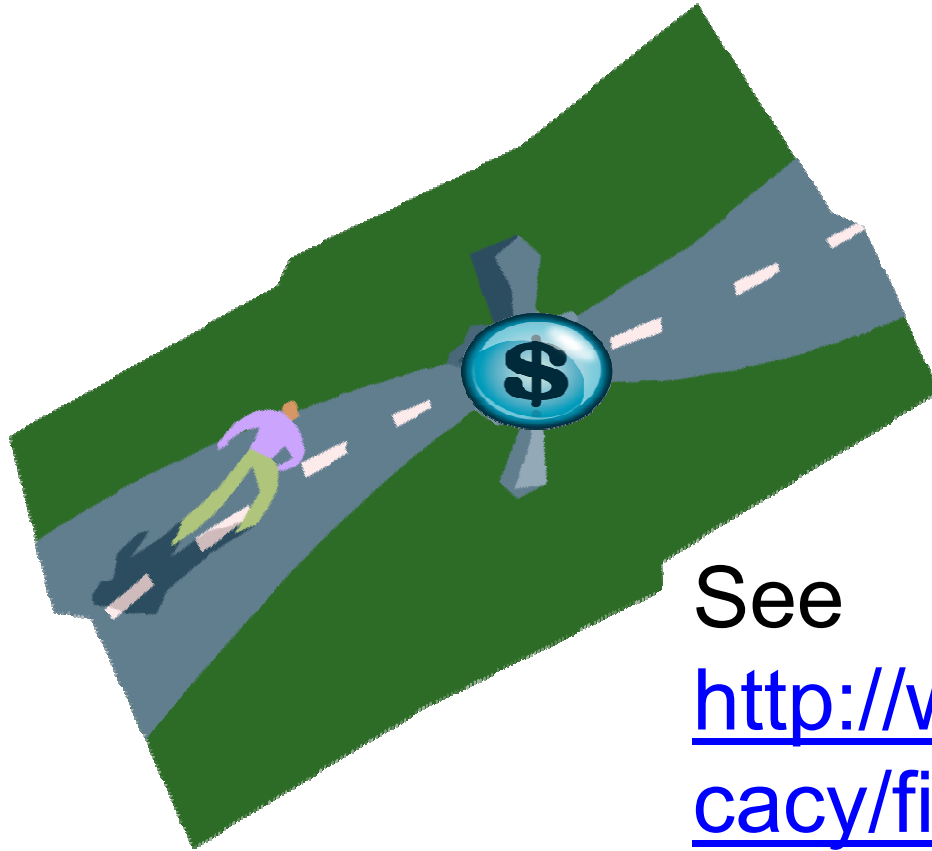
- ebay: <http://www.ebay.com/>
- Etsy: <http://www.etsy.com/>
- craigslist: <http://www.craigslist.org/>
- Pinterest: <http://pinterest.com/>
- Overstock: <http://www.overstock.com/>
- ioffer: <http://www.ioffer.com/>
- Bidville: <http://www.bidville.com>



# Group Brainstorming Activity: How Can FCS Professionals Take This Information “to the Streets”?



# Continue the Conversation and Take it to the Streets!



See

<http://www.aafcs.org/Advocacy/financialimpact.asp>