



Save Money on Groceries with Erin Chase of \$5 Dinners (Transcript)

PT: Erin, welcome to the show.

Erin: Hey, thanks for having me. I'm excited to be here.

PT: I'm excited to have you on the show as well. The first question is, what's the one thing you do that you feel maybe others don't do that has been the biggest contributor to your financial success so far?

Erin: What a good question. Apart from my \$5 Dinners and controlling our food budget, I think there are two things that do well with handling money. One is thinking about the long-term trade-off. I think it's the mindset thing. It's something I've kind of forced myself to do, learn and practice. I'm not perfect at it by any means. What I mean by that is, if I need more caffeine and it is in the afternoon and I'm not home I think, "Okay, I'll just run through Starbucks and grab another coffee." Then I think to myself, what else can I do with this \$5? It's actually \$5.68 for my drink, so what else could I do with this \$5.68? Thinking about the trade-off and then kind of secondarily to that, thinking long-term about how quickly those quick Starbucks trips or drive-thru at Chick-Fil-A or whatever the convenient splurge is when you're desperate in the moment—thinking longer-term about how much that adds up to. We live in this instant gratification sort of world and I fell into the trap, for sure, having four kids and running a business. It's easy to do that but in the back of my head I have this little—I've trained myself to think this way. I don't know if that makes sense but, it's that trade-off that could have gone into my kid's college fund or I could just have this caffeine I desperately think I need right now. But really, I probably don't need it that badly. That's what I think when I think about that question.

PT: Do you think part of it is because you've sat down and thought about those things, like the kid's education and the future or other savings goals? Is it also having come up with those at some point in the past and now you see the how it gets in the future? Does that make sense?

Erin: Yeah, I think so. We definitely have things planned out, I guess. We have all different types of accounts for things. But I think having that set up ahead of time makes it easier for me to think, “Oh, I could dump that here,” or “That could towards the extra \$1,000 we’re going to put into each kids college this year,” or whatever the goal is. Whatever it is we can swing that year.

PT: Yeah, delaying gratification can be tough.

Erin: It’s hard and I think it even gets harder when your life is running faster and faster and speeds up and it doesn’t show any signs of slowing down by any means. Yeah, just trying to stay ahead and planning ahead is a huge part of keeping those types of popup expenses from coming up then just trying to maintain that mentality of what else you could use the money for.

PT: Yeah.

Erin: Even small purchases, big ones too. Big purchases totally apply. I think you even think harder about those. I really want a new refrigerator, “I’m waiting. I’m just going to keep waiting,” until we really, really need it. We’re not to the point where we really need it but four boys as teenagers—I’m going to need it. I’m going to need a bigger fridge. So one day we’ll get there.

PT: What would you say to someone who maybe hasn’t developed that long-term instinct or mindset yet? Or is looking to maybe have more of a mindset like that in the future?

Erin: I think you just kind of have to think about it in the moment. That’s hard to do. Gosh, put up little reminders somewhere? Maybe have, whether it’s in your planner—well, we are planning ahead, first of all, so putting up reminders certain places like in your car saying, “No lattes this week,” or whatever it is that you’re trying to do. I think another thing that’s kind of related to this is just sort of the ‘habit’ concept—money habits. I can’t say I read too many personal finance websites so I’m not really sure who’s talking about what as it relates to money habits but I think that it’s just kind of being a ‘habit nerd’ in general. With money habits, I think it’s the same kind of thing. Think of how you can get yourself out of the Starbucks habit. What do you need to do to get out of the drive-thru every single Monday if you find you’re going through the drive-thru every Monday? You don’t have to. Maybe Monday’s are your worst days and you’re tired. What can you do differently? Start the slow cooker in the morning and you’ll save yourself \$40 in the Chic-Fil-A drive-thru or the burger drive-thru—whatever.

PT: Start the what, in the morning?

Erin: Slow cooker—a crock pot.

PT: Slow cooker. Gotcha.

Erin: Just getting ahead goes back to planning ahead and planning to avoid the little traps you know you're overspending in.

PT: Since you're in the food industry, what would you use to replace an afternoon caffeine need?

Erin: A DIY version, I think.

PT: Like what?

Erin: I drink Starbucks every day, legit. I drink Starbucks every day but I do my own version of it. I get the little Starbucks VIA packs. I've done the cost breakdown and it's about \$1.27 or something for me to do my own version of the \$5.68 caramel macchiato. I guess it's cheaper than going somewhere to get a caffeine IV, so yeah, I DIY it. And, if you ever need caffeine, AdvoCare Spark is like legit caffeine. You could do a half glass of that in the afternoon. I think you can get around that though. The convenience is what drives up the cost. The convenience of just quickly running through Starbucks on my way to pick up the kids from school—that's going to be costly. But, if you can prepare ahead and kind of do your own DIY homemade version that will save you in the long run.

PT: Cool. Let's take it back. Was there a moment for you in your life when you decided to become a master of your own money and improve your financial life?

Erin: I lived overseas for six years and lived paycheck to paycheck. Well, not really because we were saving a little bit. But I lived on a foreign currency so I couldn't just go to the ATM and cash out \$60 and go out, right? First of all, there wasn't anywhere to go out to. We lived in cash, on Pesos. I think there were a lot of lessons I inadvertently learned there. I don't know that there was one particular moment but a lot of the habits and what we learned working in cash and literally planning down to the Peso helped because I didn't have a bank account there. We didn't have credit cards. It was, "Here are your Pesos. Spend them." You could save them but there really wasn't any way to save the Pesos. And exchanging them back into dollars was pointless because the exchange rate backwards was not really fantastic. So, just learning how to plan down to the Peso was really, really effective and I think having done that in my 20s was a good thing. I've kind of carried a lot of those lessons and training to now, where we're tracking everything really closely. I check my business bank accounts on a daily basis just to

make sure everything is going into the places it's supposed to be going. I think I probably learned that— again, back to habits, when I was in a situation where I was forced to learn those things, and I brought them back here.

PT: Yeah, so—

Erin: That didn't really answer your question, did it?

PT: I think folks probably need more in context. What were you doing overseas? And how long were you there for again?

Erin: I lived in the Dominican Republic for six years. I was teaching school there. We had a car. We had a baby there. That was our life. We lived there as if we were living here in the US but just on a different currency and in a different sort of, I guess, financial set up. But the lessons were really valuable as far as having to go to the grocery store with my 800 Pesos. That's all I got. You can't "debit card" that out because I didn't even have one. I think that was really valuable—learning those skills and habits.

PT: On a side note, are you an advocate if someone wants to bring more awareness to their finances to go to cash like that? Where they're actually spending real dollars?

Erin: I would say, yes. If you were in trouble and you were in debt and you really were working hard to dig out then, yes. This was the same for me. I mostly run on debit cards now. Again, this is a debit card, not a credit card so it's still cash-flow. But, I will tell you when I walked into the grocery store with, let's say, five \$20 bills to buy that week's groceries it's a very different feeling at the checkout line when you're handing over bills versus when you're swiping your card. It's just a different. There's something primal—no, that's not the word, something emotional. Something emotionally happened. I guess what emotionally happens when you mentally exchange cash is not the same with plastic even though it's still cash in your account. It's just different. I would challenge anybody to prove that part wrong. Do you have to do cash and use cash? No, it's still cash. But I think when you really dig in mentally, it's hard. That's actually what the challenges are that I do with our super-savers, and people have a hard time with it. They have a hard time with taking cash into the grocery store because it's just not part of their M.O. They just want to just swipe their card. I promise them they're going to feel different. And they do. They come back and tell me, "Yep, that was actually really hard—to have to make sure I was not going to go over." So if you really were in trouble and really wanted to make a difference and change your finances then, yes, I think using cash is a smart way to hold you accountable and get you through maybe a tough time.

PT: So there you are in the Dominican Republic with your 800 Pesos, going to the grocery store. What did you do to make sure you were spending within your means over there?

Erin: Well, it's very different shopping there. We just kind of knew how much everything was going to cost. It was way cheaper. I had to learn how to cook with Dominican ingredients and that was different. I couldn't buy Cheerios because they had them in the grocery store but they were like \$12 a box with the exchange rate. So I made Granola and oatmeal all the time. I learned a lot of cooking strategies and actually a lot of that I've carried into what I'm doing now with \$5 Dinners and the "from scratch" but convenient, "make ahead" stuff. I really did learn a lot of that there. I had to because I couldn't just eat Cheerios for breakfast.

PT: Were you and your husband there in a missionary mindset? Not to diss on the Dominican Republic in any way, but I'm just assuming that's kind of why you guys were there, led by your faith in a mission. If that's the case, was it hard to have a long-term mindset about saving for the future or for planning down the road and stuff?

Erin: Yes. We worked with a US based organization. We were paid in US dollars. We had retirement accounts. And, I shouldn't say this but it is what it is—we would go to this dude sitting behind a glass wall. It was kind of like the booth where you'd go to buy a ticket at the movies where they have a little thing underneath? We would slip our check under it (*laughs*). Twice a month we would usually go and exchange money because it was in town and we lived in the country. So, we would like slip our check in... And, there were two armed guards because he had a ton of American dollars with him so he had these two armed guards with guns. I don't even know if they were loaded but they probably were. Anyway, we would go there and slip him a check and he'd slip us the Pesos and we'd go on our way. That was funny. But yeah, we did a little bit of retirement saving. The very bare minimum of what we could have done. And the organization did do a small match—a really small match. But no, I wouldn't say it was our mentality or goal to be saving long-term and we weren't planning on being there long-term anyways. When we got back here then it was like the harsh reality of, "Oh, crap! I just spent six years of my 20's not saving for retirement (aggressively or properly I should say). So we knew we had to catch up here. We had to put some things into place to do that but I wouldn't say it was part of our mindset. It was just kind of something we did. We did the bare minimum just because it was offered.

PT: Gotcha. The organization you were working for offered some type of plan for you to participate in?

Erin: Yeah. And we've now rolled that over into a different IRA of some kind.

PT: Okay, very cool. Let's talk about the transition back to the United States because it sounds like that was an impactful moment for you guys going from (for lack of a better word) a rudimentary financial system to everything at your fingertips. How did you manage that transition and were you good at managing your money at the outset there?

Erin: There's this thing called, reverse culture shock, and it's real. We lived in it for a long time. When we moved back to Ohio it wasn't that different. It was just different currency and a new bank account. It was different but not horribly different in terms of we were still really tracking down to the dollar. It was a tough transition in terms of more income dollar-wise but the living expenses in the US, even though we were really frugal—we never had cable. We were living in this “blah” apartment. But we tracked it really closely. It wasn't really so much different. It was just a different set of expenses and different level of income but it got eaten up just the same because the cost of living was higher even in little Dayton, Ohio.

PT: When you came back, did you teach?

Erin: I did not work for two years. I was home with two kids, for two years then I accidentally started \$5 Dinners.

PT: What do you mean accidentally started?

Erin: Accidentally, yeah. In the summer of 2008 when the gas prices spiked up, Steve, who was a teacher, had a long commute to work where we lived at that time. It was 25 miles each way. That hurt. That hurt our budget. That's when I decided, since I wasn't earning money, I was going to spend less money on groceries. I didn't really realize how much we were spending. We were spending \$500 a month at that time for a family of four. That's a lot for four with little kids, but I cut it in half. It was kind of one of those things where I was so excited that I couldn't keep my mouth shut, I had to tell somebody. But my sister didn't care and my parents couldn't care less. They're both very financially stable and don't need to save money on groceries. So, I started a blog and now here we are, 8 1/2 years later.

PT: Awesome. How did you cut the bill in half?

Erin: A combination of meal planning based on what was on sale. Couponing was a part of that. All of that, together and just really being smart when I was in the store and not falling into marketing traps.

PT: So you added \$250 back to the budget. And, obviously, some of that went to the gas money you needed—

Erin: Yeah, I was just going to say most of that got eaten up by the \$4 a gallon gas bill.

PT: What do you mean by meal planning? Break that down for folks who may not be familiar with what that means.

Erin: Meal planning is super-crucial for staying ahead. We talked about that earlier. I think just knowing what you're going to eat and forcing yourself to eat it. If it's on the meal plan and you don't feel like it, just do it because throwing away food is painful. I get that "pushback" so much. People say, "I don't feel like eating that tonight." Well, you bought the food so cook it or go spend \$40 for Wahlburgers, right?

PT: Yeah.

Erin: Or pizza. Pizza delivered here is something like \$30 after it's all said and done. If you can plan ahead and you know what's coming, it helps in saving money. There are actually lots of different ways to meal plan. Obviously, you can do freezer meals. You can make meals ahead of time. You can do theme nights if you want to kind of keep the variety. That way you know that every Monday is a vegetarian night. Every Tuesday is a variation of tacos or nachos. Every Wednesday is chicken and rice night. I think that's a really fantastic strategy for people who are overwhelmed by the concept of meal planning. These are just some themes. Work with pasta on Thursdays. Do something with pasta. It could be white sauce, marinara sauce—it could be whatever. Just do pasta on Thursdays. Give it enough structure and framework that you can have your pantry stocked with staple ingredients. Get the fresh stuff you need at the store, then you don't have to go out to eat. You'll inadvertently end up saving money and you're probably eating better too when you're eating at home.

PT: Right. What aspect of meal planning is a sense of just preparing essentially, so that you're not making choices that are more expensive? Because there is also an element to meal planning where you're being strategic about planning the meals that are associated with the stuff that's on sale? Is that part of it?

Erin: Oh, for sure. Yes. When we do our grocery training, step one is getting ready to go to the grocery store. You need to spend at least 10, 15 or maybe even 20 minutes depending on if you're digging up coupons, getting ready, planning—everything takes time. Your meal plan, what's on sale and even writing out your shopping list is super, super crucial. The more you can plan around the meat that's on sale the bigger you'll

see in savings long-term, week after week after week. If you can plan around what meat is on sale, you are winning at grocery savings and meal planning.

Rob: This is not original to me but on one of our other podcasts someone compared dining out to your vehicle and house in terms of those being the three big impactful expenses you can have in your life. And, if you're doing them wrong, you can really mess up to stay within your means. Would you agree with that?

Erin: Yes. I think I've read in multiple places that groceries are the third largest discretionary expense for most people's budgets. When it comes down to it, it's really the one you have the most control over. Sure, you can buy too big of a house or too luxury of a car but when you really want to dig in and make a difference in your budget right now, you could save \$200, \$300 or even \$400 depending on what spending level you're at. We have folks who come into our class who say they're spending \$1,700 for four people. And I'm, like, "Oh, my Gosh! Let me be your new best friend because this isn't going to work for you anymore. I want you to save at least \$800 a month." That's crazy. But it's easy for that to happen when your life is moving too fast and you're falling into convenience traps and you don't know where to start or what to do. You've just got to slow down and start planning it out. If you want to lose weight, you have to plan what you're going to eat, right?

PT: Yeah.

Erin: You've got to know that when afternoon snack time hits and you just want to hit the bowl of chocolate, you choose almonds instead. You've got to know that's coming and you've got to avoid it.

PT: That's good stuff. If people were going to try this next week, try this meal planning, spending better at the grocery store or try to eat out, less, what would be the first couple of steps you'd give them?

Erin: The first thing you need to do is write out five meals you're going to eat next week. My guess is that most of what you need—I'm pointing over my shoulder at my cabinet where I very easily have five meals inside minus maybe some fresh vegetable. But, I might have frozen veggies in the freezer already too. We could probably eat five meals here just from what's in there. They might be silly meals, maybe even funky meals but it's still a meal. It's food. So, write down five meals you can make this next week. Just do that. Don't do the circular stuff. Don't do the couponing. Don't do all that stuff. Start with your list of meals and then try it. Do it a second week. After that, you've probably got it figured out—they are 8 or 10 meals you probably eat anyways. Now, look to see

to see what's on sale that week. Look at the circular if you want to go crazy and add coupons as well. Do that next. But I think really just drilling in on what you're going to eat first are the baby steps. I'm not a huge fan of overhauling all the things at once. I think that sets you up for failure and you need to focus on one thing at a time. That's from my own personal experience and philosophy on helping people. I'm going to teach you all of these things, but pick one and drill in on that and try to make improvements and change that part of your process so you can get better at saving money. I think the very, very first thing is just to write down five meals you plan to eat next week. And these are dinner meals. Stick with whatever you're eating for breakfast and lunch already. Stick with that for now. You can change that later. You can improve on that later. But I think at first, you should make a list of five dinners and then make them that week, then layer in some of the other pieces of planning based on what meat's on sale. You can clip some coupons from coupons.com or you can upload your receipt to one of the cash-back apps that are out there. Layer that stuff on after you've figured out what meals to eat and what ingredients you need, first.

PT: Awesome, that's good stuff. And I'm a proponent of theme nights, which you mentioned earlier. We're both here in Texas, so heck, if you want to start with something simple, I'm a big fan of taco cheese steak so I'd always try to work that in the mix somehow. Anyway—

Erin: Taco any day is fine with me (*laughs*). But taco Tuesday if you're just starting out.

PT: Yeah, yeah. I'm sure you have tons of resources on your site for folks to check out to deep-dive even further, but thank you for a preview like that.

Erin: Sure.

PT: It's probably changed through the years but at the time when you took the bill from \$500 to \$250 a month, were you using any specific tools, apps or resources? If you were, what would the apps or tools be that you'd use right now to drop that bill?

Erin: Online there are coupon matchups and these are here, there and everywhere. There's an app as well that has coupon matchups in it. I did use coupon matchup sites when I lived in Ohio. You know Andrea, our friend Andrea?

PT: Yeah.

Erin: She posted the coupon matchups for Kroger which was in my region and where I shopped most of the time.

PT: What do you mean about matchup?

Erin: Coupon matchups are a tool online. Just search your store name plus coupon matchups. They're all over the internet. People and bloggers—mostly bloggers but some companies, will take everything published on sale at your grocery store and match any available coupons. So, printed coupons, newspaper coupons, coupons in mobile apps. Basically, that helps you get to “double” the savings because the item is on sale and you're getting a coupon discount. For example, instead of giving you mustard at \$1.75 you're going to get it for 50 cents or 75 cents. You save \$1 on that product. And especially for pantry staple products like that, you can buy those when they're on sale with a coupon and just leave them in your pantry. I'm all for stock-piling but I'm not for hoarding. Strategically, get the things when you see them on sale, on clearance or with a coupon and then hold onto them and use them until there's a sale again or there's another coupon available.

PT: How long before the business, the \$5 Dinners, took off to a point where it was making some income?

Erin: I started \$5 Dinners in August of 2008. I got my first several hundred dollar ad revenue check in October. So it didn't take very long because that was right when the recession was starting, right before the 2008 election. The word recession had been mentioned once but then everybody put the “kibosh” on that because of the election. Then as soon as the election happened, that's when everyone started freaking out. But I started it because we were feeling the pinch and other people were saying, “Whoa, what's she talking about?” So I think the combination of, “This is actually a helpful resource,” and, “This girl is crazy,” that kind of combination helped it spin off as quickly as it did. It was pretty quick that it earned revenue. I didn't really know you could when I first started. It was kind of a crash-course in those first couple months of ad revenue, affiliate revenue and things like that.

PT: So you've got this new income coming into the household budget. What do you do with it? Where do you apply it?

Erin: At first we just applied it to sort of stay even and offset until the gas prices came back down which wasn't too long after that. I think one of the things I've done well over the years with the business income is recognizing when it's to a level where we can bring on help and delegate things. I brought an assistant in fairly early for being in the blogger space. I mean, I was working on it but I wasn't, WORKING-working on it. It became evident to me quickly that this was a lot to keep up with so I think pretty early on I was able to do that once the income got to a certain level. Yeah, we were really

aggressive with saving that income. Then we moved to Texas and most of that savings went into our new home. That's what we were saving for anyways. We were saving to jump up a couple levels in the housing market, I guess you could say. I think there are levels... I don't know. So we probably jumped a couple levels from where we were to where we are now. And we were able to do that because of that savings. We were able to put that into the house to get the lot we have here.

PT: When you left the Dominican Republic to move back to the United States and Ohio, did you buy a house there?

Erin: We did. We lived in an apartment for a couple of months just to kind of get settled and straightened out and to figure out how much is here, how much is there. Then we did buy a little house pretty quickly after that. We actually took a pretty decent loss on that house because the housing market there was terrible. So we had to save for that loss also. We knew that though. Thankfully, at that point, the business had been around for a couple of years and it was generating enough revenue that we could put into that house to fix it up and update it and all that—to then sell it at a loss. But, because of the savings we were still able to upgrade to this home.

PT: No other real estate at this point?

Erin: Not yet. But I hope.

PT: Is there any area of personal finance where you say, "Man, I really stink at this part of it." Any area where you haven't mastered your money as of yet?

Erin: An area that I'm personally not very involved in is investing. We have an advisor that helps with that but it's not something that I personally am super involved in. So I would say that's probably an area I'm just not knowledgeable about nor to involved in. We've done the automation needed for retirement and college savings—

PT: What automation have you done?

Erin: We have two IRAs. I'm not going to know what kind they are. Again, this is not in my wheelhouse. But, we actually have three retirement accounts, somehow. And I just started another one for me. Then we have four 529s for the boys.

PT: Cool.

Erin: All of that is just funneled out. We don't even see that, it just comes in and goes out.

PT: Pay yourself first. I love that. Really quick, back to the food stuff and dining out. It's still so easy to dine out and I want to treat myself every once in awhile. How do you do dining out without it being this ridiculous thing? How do you make it special or make the most of that?

Erin: You plan for it.

PT: Okay.

Erin: You just plan. Our plan is we eat out every Monday night. Monday is a weeknight and that's crazy to me. I'm the \$5 Dinner mom and I shouldn't be eating out on a weeknight but we do because there's just no other way. I've tried. There's not. We are out of the house from 4:30 until 8:15. I could do a car picnic every day but I literally come into the house at around 4:15ish and it's literally, dump your stuff, get the next stuff and get back in the car. That's just our Monday reality right now so we just eat out. And we plan for that—it's part of our food budget. But we also eat at home most of the time, Friday night and Saturday night and often on Sunday's as well, because that's our go-out night. We're planning for that. It's just part of our food budget.

PT: Is it just, "Let's pick up something" night or is it a sit-down night? Or, is it just literally spending time outside the house?

Erin: It's, "I have two kids and Steve has two kids and you aren't home to make dinner." That's how it is now. That's become our current, spend-dinner-out night. But yeah, we go out other nights but it's sort of planned. We have that budget set aside.

PT: Okay.

Erin: For family dinners there's this great barbeque place here with a playground. Because, when you have four boys and they can't sit still at a table very long it's just great. So, we go to places like that but it's planned. Or we'll be meeting with family or whatever. I think just as long as you know the money is there, then you just plan it and balance it. If you get off balance and you're eating out all the time you'll know it pretty quickly.

PT: Two more quick questions before you go. What's one financial goal you have for your family for the future and how are you going to achieve it? And I'll ask a follow up question after that.

Erin: My financial goal for our family, we want to buy a piece of ranch property somewhere north of here. We're in San Antonio, so somewhere north of here. And I'm

going to change that by working smarter. Yeah, just working more and continuing to be aggressive with savings. We've got retirement going. We've got kids' education going. That will be kind of the next goal we'll be saving for. That is what the big financial goal would be, some piece of property. I mean, we could always do a lease or something but I think I'd rather own something to either sell later or build on.

PT: Very good. Here's the last question. Looking back, maybe since the 800 Peso shopping experiences in the Dominican Republic, looking back at all the ups and downs between that point and now, how do you feel about your experiences? How do you feel about it all now?

Erin: It's been amazing. It's taught me so much and I'm teaching that now to other people which is super rewarding. It's amazing to be able to help people see where their pitfalls are and what they can do better. I just love that. I love having that opportunity to encourage and inspire other people and sharing my experience and sharing the things I learned (sort of by fire) and being able to pass that forward. It's been really, really cool over the last eight or so years.

PT: Well, it's been cool having you on the show. Where can folks learn more about what all you have to offer and all you have going on?

Erin: The best place to be is fivedollardinners.com. We have everything there. That's kind of our hub, our homepage. We have a number of tools and resources that are helpful to you too. You might want to check some of those out. It's the number 5. It's not spelled out (although that would get you there too). So it's, 5dollardinners.com.

PT: I love it. Erin, thanks for being on the show.

Erin: Yeah, thanks for having me.