New Ways To Save Money Eating At Home

Scott A. T.: Broadcasting for One Dallas Tower, welcome to the Financial Rock Star Show. I'm your host Scott Alan Turner, ready to help you get out of debt, save more money, and retire early. In the studio with me is Producer Katie, who doesn't have any interesting tidbits to tell about herself today. On the show today, food, glorious food, and I'll be answering your questions about money, because, and life. Do you have a question you like answered on the show? Visit GoAskScott.com.

Food is a huge portion of everyone's budget. It's number one priority when you do budget, because you have to eat to live. In the past few years, a lot of healthy subscription food services are popping up in some of the bigger cities. They give you the benefit of healthy eating, not having to grocery shop, not having to meal plan, and some of them get delivered right to your door by the UPS man or UPS woman, but are they worth the cost? Some of them come in refrigerated boxes with the ingredients all measured out, they're ordered free to cook. Others are healthy versions of TV dinners, eat and serve.

Here's a quick rundown of what's in the marketplace. Gobble, gobble gobble, those are dinner kits designed for ten minutes with one pan. Here's an example, roasted cauliflower, chickpea burger with broccoli slaw and roasted sweet potatoes. That sounds pretty darn good. Blue Apron is another. They provide you with all the ingredients to make a meal with the right measurements. Hellofresh, Plated, Home Chef, they're all similar to Blue Apron. Plated delivers everything you need to create a chef designed recipe in 30 minutes or less. PlateJoy is another one, personalized meal plans. All these links will be on the show notes, and eMeals, which is just meal planning.

We, and by we, I mean, Katie, have used some of these services. She has done the ordering. I have cooked some of the recipes, but let's hear from her.

Katie: Thanks Scott. We've used Hellofresh. You can pick a family size of 2 or 4 people and get 3 meals a week to cook. The price for the family box which fed 4 people 3 times a week was $105, which I thought wasn't too bad. UPS delivers the box, and you decide which day of the week they come and deliver. You get 3 boxes labeled with the name of each meal, their recipes, and then the meats are packaged a little bit differently in the frozen section of the box. Then it takes maybe 30-40 minutes to finish a meal. They're usually 2 or 3 proteins, and sometimes you'll get a pasta dish.

We are pretty picky, and we thought the meals were tasty, and our kids are good eaters, and so they ate a lot of the food. One thing I liked is I got to try things I would rarely cook. For example, I don't really buy shrimp, but it came in the meal, so we all tried it, the kids gave it a try and it was fine. I personally needed a mental health break from all the meal planning and the grocery shopping, so I typically cook 4 to 5 times a week and I was just exhausted.

I think if you have a family with older kids, you might need to order a different box. We ate most of ours, and only a few times we'd have leftovers, like a pasta dish would have a lot of leftover, but some dishes, we would just eat it all. If I've been less tired, I would've tried some similar services like Blue Apron, there are other ones like Chef Table, because usually on the first week, you can get, for example, 3 meals for $30 or $60 off. If you wanted to do these meal delivery services, you could try a few different ones over the course of a few weeks and get that first time user deal every time.

We've also done My Fit Foods in the past. That was before we had kids. You can just call ahead and order your weeks of meals from their online menu, or you can just go pick up a healthy meal, some snacks. They have breakfast. They have snacks. They have dinners. They're about $10 to $12 a meal, so it's not inexpensive, but they do taste good, and they're healthy. Scott liked the Ninja Tenderloin and the Fit Nuggets. If you don't want to cook for 1 but you want to healthy or you struggle with portion sizes, you can definitely try My Fit Foods, there are other similar services that are out and about, and they usually involve the words like fresh or fit foods. They don't change the menu too often, so it can get boring, but it saves you time. You don't have to cook. You have healthy food in a pre-portioned size, so it might be worth it for you.

The last thing we tried is eMeals. This is great if you have teenagers who are eating a ton and you really have to get down on your grocery budget. eMeals' plans, you can do lunch or dinners, or lunch and dinners, and they will do something like, say, you need half an onion for Monday's recipe, and then you'll use the other half of the onion for Wednesday's recipe. You use everything that you purchased. You can buy for a bigger family. You can download the meals and save the PDFs so you could do it for a few months and save all your recipe and see if you like them.

For Scott and I, we just thought the meals were bland, they were bland because they were inexpensive to put together, which meant you didn't have a ton of ingredients and they were easy to put together, which meant you didn't spend a lot of time building a lot of flavor, but we're picky eaters, so don't let that scare you off. eMeals is legit. You can sign up for a very short amount of time. If you desperately need to cut down on your grocery budget, give eMeals a try. If you don't desperately need to cut down on your grocery budget but you want to eat healthier or you don't have time, you might check out a My Fit Foods or Hellofresh type service. That's all I got.

Scott A. T.: Thanks Katie. I would say the food delivery, if you're getting one of those services, the markup is about 100%. If you bought the ingredients yourself, you would pay at least half as much, and you're paying for the convenience, just like eating out at the restaurant, except you're eating at home and cooking yourself. I've got a better way thought, for you to save money and time. Unfortunately, it might not be available in your area. Select Walmart stores are starting to roll up online grocery shopping. You'll order everything online. You drive up to Walmart at the designated area in the parking lot at a specific time. Usually, you need to give them a 24 hours notice. They bring all the groceries at your car and load them up, no extra charge, no tipping. You don't have any of those temptations in the grocery store. I love this service. Katie loves this service too.

You can watch Walking Dead, whatever your favorite TV show is on, Star Trek. You can grocery shop at the same time on your laptop while you're watching TV, pick up the next day on your way home from work. It is only at select stores right now. We have about 5 Walmarts in a 2 mile radius of our house, and it's only at one of them. Someday, and I see this coming, because Walmart is smart, they're going to pair this service with their own recipe service. You'd be able to go online, pick out what you want, and then bring all the food out to you.

This is the future. This is the future of cooking at home, and this is the future of where our lifestyles are going to be going. More convenience, more ability to shop online and show up and have stuff brought out to your car. It's going to save you time, and in the case of Walmart, it's going to save you money because of lack of temptation when you're going to the store and just loading up random stuff on your car, not to say you can't just click add to cart shopping online.

Wrapping up subscription food services, start trial run, you can get great meals at big discounts, and then cancel them if you don't like paying the high prices, or stick with them if you want to break from cooking or eating out.

eMeals, great for putting together a grocery list and saving some money that way. Walmart shopping online, avoid the temptation by staying out of the grocery store. If you have kids, oh my, no more tiny little hands reaching for the candy during the checkout, screaming "I want it! I want it! I want the Reese's Peanut Butter Cup even though I don't know what it is, it just looks tasty." No more whiners yelling to buy peanut butter Cap'n Crunch, delicious, when you head down the cereal aisle. Think of the sanity you'll get back.

Let's get into some of your questions. John wants to know about a new wealth management services, says,

John: "Recently on my way to work in San Francisco, I came across an interesting ad at the train station," and then he included it for me. I'm not going to repeat it on the show. He says, "I'm curious if you're familiar with the company and the service they offer, wealth management, loans, et cetera. I'd be interested to hear your view on what they have to offer."

Scott A. T: Now, the ad was for SoFi. Now, SoFi is the leader in student loan refinancing. Recently they announced they're no longer using FICO scores to approve people for loans, and since they were founded in 2011, it haven't been around that long. It's a pretty new company, but they've expanded into mortgages, personal loans. Now, recently have announced, getting into wealth management. They're disrupting the traditional loan business.

How are they doing it? Number 1, they're offering very competitive rates. Much competitive than you can find in a traditional bank usually, and more importantly, they're not a bunch of jerks, okay? Sorry, but the big banks, the brick and mortars, you have those experience with them that you remember, and it's not pleasant. You're not a customer to them usually. You are a number, and SoFi has recognized that and they're building their business by being personal and they're succeeding at it. They've got a new wealth management tool. The product is an early access. It's not even open to the public yet. The claim they're making is it's not like robo-advisor such as Betterment or Wealthfront or the robo-advisors from Schwab and Vanguard. Actually, Vanguard is a little bit different. Vanguards robo-advisor does have people that you can talk to, but they also charge a little bit higher fee.

Anyway, SoFi, they're offering someone that you can call, and you can get personalized service along with their wealth management system. They are investing in low cost funds, but there's no information about what those funds are yet. I can't speak to the good or badness of them. What's the cost? $2 a month for the management fee, it's nothing. That's with a $500 minimum, or a $100 auto-deposit. If you're already a So-Fi borrower using one of their student loan products or one of their mortgage and personal products, the 2 bucks is waived. Again, it's not much.

This service is great for you and me as consumers. Why is that? Well, Vanguard and Schwab, 2 of the big brokerage houses, they had to introduce robo-advisors when Betterment and Wealthfront came along just a few years ago, because everyone was flocking to Betterment and Wealthfront. Vanguard and Schwab had to introduce their own products. That resulted in lower fees, cheaper services for us, which is great. Competition is awesome. Now, SoFi is coming along and saying "We are better than robo-advisor, because not only are you going to give you a person that you can talk to." Is it a good wealth management product or service? It's not even available yet, so I can't answer t the pros or cons of it yet. It sounds interesting. It's going to add competition to the marketplace, which is certainly good for everyone. There will be additional reviews coming up on this show in the future as this product gets rolled out. Thanks for the question John.

Heard something the other day that caused my Vulcan ears to pick up, the stigma was if you close all your accounts, your FICO score becomes zero. I thought, "That's a bold claim. I wonder if it's accurate." I did some research, and who did I go to get research from? FICO. That's where I went. Their response was, paying all accounts to zero balances and/or closing the accounts and not having any active credit over a 6 to 12-month period will result in being "unscorable." It simply means that by not having any active credit, myFICo, that's the company, myFICO and possibly the credit bureaus would not be able to calculate a credit score. It does not mean you do not have a credit score or a score of zero. Well, there you have it. According to the people who give out credit scores, you cannot have a score of zero, but they're calling it unscorable. You have to decide whether that means the same thing or not.

Hey, the people who tell you to not have a credit score make money from the products and services they endorse which don't require you to have a credit score. That's all I'm going to say about that. Let's say I tell you to not have a FICO score, not have a credit score, credit cards are bad. We can agree on that for many, many people. Debt is bad. We can certainly agree that there is bad debt. Being in debt is bad. I've had some debt. I can vouch for that. Eating Big Macs and fries and coke for every meal everyday is bad too. If I have learned discipline, I can eat there occasionally and not worry about a heart attack. That's okay. I've never even had a Big Mac though.

You have no credit score. You want a mortgage. Well, guess what? Katie's over here. She's got her own mortgage company, and she doesn't require a credit score to get loan. What Katie do is charging a quarter percent more in interest rate than your local credit union. What if you want to move into a brand new home? Most builders give you special discounts and incentives for going with their preferred lenders. I did this with my first house. I also did it with the house that we're in now. The interest rate from the preferred lenders, that was the same I could get on the open market, but by going to the preferred lender from the builder, they picked up all the closing costs. Make up a number. Let's just call it $5,000. Maybe Katie and he company aren't going to give you that deal, but if I don't have a credit score, doesn't it matter because the credit union isn't going to give me the loan without a credit score, or the preferred lender isn't going to give me the loan without a credit score? Katie will, so I lose out on the special deals.

I'm not saying every credit company that doesn't require a credit score is charging you more on interest. I'm saying I don't know. I don't know if they do or not, but it's all our options and choices. If I owe the credit card company $20, I have $20 in the bank to pay it off, I am not in debt. I have net worth of zero. If you have issues, discipline problems with credit cards, it's important to address that issue, to gain that control over your finances, but for someone who has been there and someone who sees the value in having a credit score in life, at least in our times right now, it's much better to have a good credit score and have the choices to not have the credit score and be limited on your choices.

Back to your questions. Henry in Connecticut wants to determine what options are best in his company's 401(k) plan. He writes,

Henry: "My company has a limited number of investment choices in their 401(k). However, they do offer a self-directed brokerage investment with a large variety of stocks and mutual funds. Can you explain the pros and cons?" Behind the scenes, I do a little investigation for Henry because he told me who he work for, so we got some information coming up on that.

Scott A. T.: The pros when you get outside of your normal company 401(k) and get into the online brokerage accounts from different companies, you might have one available through Fidelity, Schwab, other organizations. You have access to many more funds. You can get to individual stocks even, and they like to pick funds that have much lower fees. The cons are you have access to many more funds, sometimes in the hundreds or thousands to pick from, so it can be very overwhelming. It's very do it yourself model. You've got to know what you're doing. However, if you learn a little bit about asset allocation, you can get on the phone with any advisors, and they can walk you through some of those stuff, and you do have access to those lower fund fees, which is a good thing.

Now Henry, your [paralian 00:17:07] has a BrightScope rating of 73. It's website called BrightScope.com and they will review your company 401(k) plan. You just plug in who you work for. They access that information and they tell you their thoughts about it based on their algorithms. Your plan is in the top 15% of plans for salary-deferral and total plan cost. That's not bad. Another website, it's called FutureAdvisor, FutureAdvisor.com, and those links will be in the show notes. That's another website. It evaluates company 401(k) plans. You just plug in who you work for. It gives you a little bit of information on it. FutureAdvisor gave your plan a 4 out of 5 stars, so that's pretty good.

As I picked into your particular company and both FutureAdvisor and BrightScope show you the breakdowns of what options are in your 401(k), which is quite nice. You have some target date funds in there that have very low expenses, .17%. That is a great price. I didn't take that as just face value though. I went and dug into the prospectus, the fancy term for the document showing the different expenses and fees in the fund, and randomly, I just picked the 2030 target date retirement fund, if you were retiring in 2030. That particular fund is a fund of funds, so it's made out of 11 other funds. The bulk of those are index funds with low expenses. There's a S&P 500 Index fund in there. There's an international index fund. There's a bond index fund. Those are good thing, and that 500 Index fund, that makes the bulk of that target date retirement fund in that particular example.

Without you becoming an expert on funds and asset allocation, I don't know if you're going to do much better than one of those target date funds with the low expenses that are in your plan. Your 401(k) does have the option to purchase company stock, I would avoid that. There are too many stories of people. They're heavily loaded in their company stock, and the company doesn't do well. It's very volatile. It's not a diverse portfolio when you're investing heavily in company stock. If the company just completely tanks and go bankrupt, that's when you lose your 401(k), so that's not a good place to be.

If it's me, I'm probably going to stay put with what's in the 401(k) plan and not move to the outside brokerage, just because of that low fee. You work for a big company. Looks like they're in a good 401(k) plan. They are treating your employees, right. I would suggest you just spend some additional time digging in, checking the funds you have access to, check the brokerage option and see what you could get into that, but in the end, I believe you applying in one of those target date funds will put you in a very good place. Talk about it with your coworkers as well. See if they've done any research and what they have to say and what they found. See how educated they are. Put their minds to the test, because 5 brains are much better than 1. Thanks Henry for the question.

Let's go waste 30 seconds of your life, then we'll be back with more questions. You're listening to Scott Alan Turner.

Hey nation, Scott Alan Turner here. Now, for those of you that are my long time listeners, you know I'm not one of those guys in the radio who promotes every product that shows up on their desk, you're never going to hear me trying to get you to buy enriched white flour, delicious, or recommending to buy at Windows, blue screen of death. No, I have a name to uphold to you, the Rock Star Nation, but if I were, if I were to recommend something to you, I would tell you about Himalayan cats. No other cat requires as much brushing as a

Himalayan. You can spend hours of peaceful time brushing, brushing, brushing your Himalayan cat, and with all that extra fur you collect, you can stuff your own pillow, saving you money from that expensive down pillow you've been considering, win-win. You can figure out how to spell Himalayan and type it into Google. Tell them Scott Alan Turner sent you.

Jessica from Houston, Texas just graduated and is learning to manage her finances. She writes,

Jessica: "I must say, that I'm a bit hesitant about simply investing. I'm a 23-year-old registered nurse. Many people call me a baby nurse, but I'm just now starting my career. Though my parents raised me properly and I think they're the best in the world, they did not provide me much of financial advice. Now that I'm on my own, I'm living paycheck to paycheck, looking for ways to invest my money so I won't have to work long hours or overtime to accommodate my needs. I'm grateful to have a career and I understand that I'm in a great situation, especially for being so young, but it takes time to take a leap forward with my financial future. I am a completely need to this financial world. I do not have a credit card, just $35,000 in student loans. I really hope I can gain some feedback and some kind of directions as to where to go."

Scott A. T.: Oh you've got a fresh clean slate with very, a relatively little debt, so that's a perfect place to start. You don't have to work overtime to meet your needs, so let's start there, and one of your needs is going to be to pay out your student loans. Those are not going to go away. Once those are gone, your life is going to look and feel much, much, much different, so here's an action item for you, because in this show, we're all about taking action to improve your life. I want you to go talk with some of the nurses who have been around for 10 or 15 years that you're working with. They've been around that long. They've got that amount of time under their belts. When you're on your break, which is probably never, because you don't get breaks on a 12-hour shift if you're a nurse, right? You say, "Hey, I heard this podcast, the dude was talking about student loans and paying them off early. Did you have any student loans?" See what kind of information you get back.

The question you want answered if they have student loans still and say, "If you can go back in time, would you have paid off your loans sooner?" Because for me, I'm curious as to what kind of responses that you're going to get back from those nurses, and they might be all over the map. If someone has 15 years into their career, they're still living paycheck to paycheck, they could very well say, "No, I still have my loans, but I've been able to travel the world," but if they're paycheck to paycheck, that is not where you want to be. The steps for you, get that information, because I really want to encourage you to get your loans paid off first.

How are you going to do that? Well, you want to spend your money on paper first. Each month, spend your paycheck before you spend your paycheck before it comes in. On the website, I've got how to make a budget or a spending plan, if you don't like the B-word, but it's going to walk you through step by step, organizing your finances, teaching you how to pay them in what order so that you can get those loans paid off quickly and start saving for you future, but number 1, pay off the student loans 2 years, 3 years tops. I mean, challenge yourself to do it. Avoid getting a new car because they're money pits. They're money pits when you get a car payment in there.

401(k) match, if you've got one of those from your employer, that's free money. That is a personal choice for people whether they want to start investing while they're paying off their student loans or not invest and put everything into their student loans in order to get them knocked out the quickest. Some people say, "Stop investing. Focus every single dollar you've got that's free on paying off the student loans completely, and then turn around and start investing for your retirement." I'm a little bit wishy-washy on this lately. I'll say aiming at multiple targets makes it really hard to hit anything, and personal finance is personal. You may decide you want that company match while you're paying down your student loans. You may decide to not invest in the 401(k) and go 100% hardcore to paying off the debt, which is right. I mean, mathematically, you can come up with arguments for both of them, but it's personal finance. You get to decide what you want to do. The important thing is to have that laser focus and get those student loans paid off and destroy every spare dollar you can at them.

Budget, come up with a spending plan, get the student loans taken care of, you get a 401(k), you get the company match or not, entirely up to you. That's going to get you going, and that's going to take you a while to get those things worked out. I think that's a great place to start rather than overwhelming you with the 10 other things that you need to know down the road to arrive at financial freedom as quickly as possible. Thank you Jessica for the question.

This is a work from Jacob Riis, I believe is how his last name is pronounced, "Look at a stonecutter hammering away at his rock, perhaps a hundred times without as much as a crack showing in it. Yet at the hundred-and-first blow it will split in two, and I know it was not the last blow that did it, but all that had gone before." It's about how it's never 1 thing. It's not the result. It's the process that goes into it. The basketball team, the San Antonio Spurs, I'm not a basketball, but it's right about the story. They have this quote posted in their locker room in multiple languages for their international players to read as well. If you think of a basketball team or baseball team, all the games that they have to play during the season, how many hours, all the practice that they have to put in to go through the season just to get into the playoffs, then to the semifinals, then the championship series. It's not just the final days of the season, it's everything that went up to building to that point.

You can't pay off $200,000 in student loans by writing a $200,000 check, highly unlikely. You can't pay for retirement by saving a million dollars in a year. You can't build strong marriage during 1 vacation a year. You can't lose 100 pounds by eating healthy for 30 days, but you can by hammering away your rock day after day after day after day for a lifetime. Those are the words. If you're enjoying the show, please take 30 seconds, text the link GetFR.com to 3 friends, help us spread the word, I would appreciate it.

That's it for this episode. I'm your host, Scott Alan Turner. Rock Star Katie is my producer. All the links mentioned in the show are available in the show notes on ScottAlanTurner.com, and if you have a question you'd like answered on the show, visit GoAskScott.com. Thank you for listening.

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