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Imagine this scenario: Your employer hands you a check for \$2,000 and tells you that the company has allocated "x" amount of money to go to em-



ployees and that is your share. Would you throw the check away? Of course you wouldn't. You would put it in the bank and use it for bills or to buy something you want or need. Coupons work much the same way except the payoff is in smaller increments. Companies allocate so many dollars a year to attract customers to their products, businesses or services. Some of the money is then distributed to shoppers in money-saving coupons. If shoppers throw the coupons away instead of using them, they do not get the savings.

Facts and Figures

Surprisingly only a small percentage of shoppers (about 1%) redeem coupons. In 2011, U.S. Consumer Packaged Goods (CPG) marketers distributed coupons valued at \$470 billion for products used daily like food, beverages, clothing, tobacco and household items. The average coupon had a face value of \$1.54. Only \$4.6 billion coupons were redeemed. That left coupons valuing \$465 billion unused. Those shoppers in 2011 using CPG coupons saved an average of \$30 (\$1560 a year) to \$50 a week (\$2600 a year) depending on their level of coupon involvement. That is a nice chunk of

change when you think about it. For example, let's compare coupons savings to the amount that most US employees will get in annual merit increases.

According to [labor statistics](#), the average household in the US makes around \$41,600 a year. The average annual raise is 3% or \$1248. We all work hard to get a raise because we need the money. Yet, by using coupons, even on a casual level, the payoff could be more than the amount most of us would receive in annual pay increases, but 99% of us elect not to use them.

Dispelling the Coupon Stigma

Why do so many people not use coupons? One main reason is that they find it embarrassing. They are afraid it will make them look cheap or people will think they are poor. But why should care what the stranger in line behind them or the cashier think? It's silly thinking really, especially considering who the [average coupon user is today](#).

Based on statistical profiling, households with an income of \$100,000 or more and shoppers with college educations are twice as likely to use coupons than those who live below the average income and those who did not complete high school. In addition, another known fact is that many people who have millions in the bank use coupons.

Why Millionaires Use Coupons

In the book "The Millionaire Mind" author Thomas J. Stanley writes about the frugal lifestyles that many millionaires choose to live. For example, many millionaires have their shoes resoled, repurpose their furniture rather than buy new, and use coupons.

Why would millionaires bother with a dollar-off coupon? Stanley explains that millionaires look at the bigger picture. It is not about the money that they will save during one shopping trip, but rather the money that can be [saved and invested](#) during a lifetime by using coupons.

He uses the example of how a family that spends \$200 a week at the grocery store could cut the bill by 5% through couponing, buying in bulk and using other cost-cutting practices. The money saved could then be invested and eventually grow to more than \$500,000.

It is also the reason that many millionaires do meal planning and prepare shopping lists that they stringently follow based on the available coupons.

Bottom-Line

Using coupons is a serious way to save money and there is not a good reason that I have found for shoppers not to use them. It is not about just saving a dollar at the grocery store. The couponing mindset goes much further than that and they incorporate savings in almost everything that they buy. Anyone who dislikes wasting money will benefit by getting involved in some level of coupon usage. Devoting an hour a week into gathering coupons before shopping is financially beneficial and statistically pays off to the tune of \$100 in savings for an hour of time. That's a pretty good way to use an hour if you ask me.

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