Is Sam’s Club Worth It? : A Practical Analysis

Meet The Smith Family:

The Smith family makes monthly trips to Sam’s club that is 20 minutes away to buy produce, meat, cheese, baking ingredients, dairy products, and paper goods. Their alternative is to shop at Stop & Shop which is so close to their house they could walk. In fact they already shop at Stop & Shop for items they can’t purchase at Sam’s Club. It is time to renew their membership for $40 and they question whether their membership is actually saving them enough money to keep it. The wonder if they would be better off just buying everything from Stop & Shop.

Directions: Using Sam’s Club online, Peapod.com (Stop & Shop’s online grocery store) and Excel do the analysis for this family. A suggested excel format is below. Answer the additional questions in complete sentences as well.

**Receipts from the past year:**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Categories** | **\*Products** | **Quantity** | **Sam's Price** | **Sam's Unit Price** | **Unit** | **Stop & Shop Qty** | **Stop & Shop Price** | **S&S Unit Price** | **Unit** | **Sam's Savings** | **S&S Savings** |
| Dairy | Eggs | 36 count | $ 4.52 |  |  | 18 count | $ 3.89 |  | ea egg | $ - |  |
|  | Half & Half | Quart | $ 1.68 |  |  | 1/2 gallon | $ 4.39 |  | per qt | $ - |  |
|  | Butter | 4lbs | $ 8.88 |  |  | 1lb | $ 3.79 |  | /lb | $ - |  |
|  | Provolone Cheese | 2.5lbs | $ 7.68 |  |  | 8oz | $ 3.00 |  | /lb | $ - |  |
|  | Sharp Cheddar | 2lbs | $ 8.87 |  |  | 32oz | $ 9.99 |  | /lb | $ - |  |
|  | Shredded Mozzarella Cheese | 5lbs | $10.98 |  |  | 32oz | $ 6.99 |  | /lb | $ - |  |
| Meat | Lunch Meat- Roast Beef | 22oz | $ 9.48 |  |  | 16oz | $ 9.99 |  | /oz | $ - |  |
|  | Turkey Bacon | 3 pkgs 12oz each | $ 6.38 |  |  | 12oz | $ 2.00 |  | per 12oz pkg |  | $ - |
| Produce | Grape Tomatoes | 32oz | $ 5.98 |  |  | 1 pt | $ 2.99 |  | per oz | $ - |  |
|  | Romaine Lettuce | 6 count | $ 4.28 |  |  | 3 ct | $ 3.99 |  | per head | $ - |  |
|  | Baby Carrots | 3lbs | $ 3.98 |  |  | 2lbs | $ 2.50 |  | per lb |  | $ - |
| Paper | Paper plates | 170ct | $12.48 |  |  | 24 ct | $ 2.50 |  | per plate | $ - |  |
| Baking | Brown Sugar | 7lb | $ 5.34 |  |  | 2lbs | $ 1.79 |  | per lb | $ - |  |
|  | Unbleached Flour | 10lbs | $ 6.34 |  |  | 5lbs | $ 2.49 |  | per lb |  | $ - |
|  | Chocolate Chips | 72oz | $ 5.62 |  |  | 12oz | $ 2.50 |  | per oz | $ - |  |
|  | White Sugar | 10lbs | $ 5.66 |  |  | 5lbs | $ 3.79 |  | per lb | $ - |  |
| Other | Balsamic Vinegar | 1 Liter | $ 6.48 |  |  | 16.4oz | $ 4.35 |  | per oz | $ - |  |
|  |  | | |  |  |  |  | **Total** | | $ - | $ - |
|  |  | | |  |  |  |  | **12bags of Savings** | | $ - |  |
|  |  |  |  |  |  |  |  | **Cost of Membership** | | $ (40.00) |  |
|  |  |  |  |  |  |  |  |  | **Savings** | $ (40.00) |  |

**Critical Thinking Questions**

Directions: Answer on a separate piece of paper.

1. What tangible and intangible things are they giving up by shopping at Sam’s Club?
2. What are the Smith’s giving up if they stop shopping at Sam’s Club?
3. If the family shopped at Sam’s club for the same items 12 times a year and the price of a Sam’s Club membership is $40, how much would they have saved compared to not joining the club and purchasing solely from Stop & Shop?
4. Would every family save money by shopping at Sam’s Club? (Hint: are all families purchasing patterns the same as the Smith’s?
5. What are some “traps” or ways club stores get you to spend more money than you think you are?