

Spending Smart: Living frugally, being happy the Amish way

By GREGORY KARP - Chicago Tribune

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You might assume that Amish people, with their horse-drawn buggies, are poor or unsophisticated with money. Not true. In fact, many have weathered the recession far better than most other Americans, experts say.

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"They seem to be aware there was a recession, but it wasn't really changing their lives," said Lorilee Craker, author of the new book "Money Secrets of the Amish: Finding True Abundance in Simplicity, Sharing and Saving." "They have so much money in the bank, it's staggering."

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During her research for the book, Craker found one Amish man who in 20 years had built a bank account of \$400,000 from working on a rented farm. He has 14 children. He used the money as a down payment to buy a \$1.3 million farm of his own.

"Culturally, they are so different from us," she said. "They are always hunkered down. It's not, 'Live it up,' and then, 'Oh, my gosh, we have no money.' "

Erik Wesner, founder of AmishAmerica.com and author of "Success Made Simple: An Inside Look at Why Amish Businesses Thrive," agrees that the Amish weren't hurting financially as much as average Americans.

"Unemployment is not 9 percent in the Amish community, I can tell you that," he said. "Typically, it's close to zero."

Many Amish enjoy their frugality, and many seem to benefit from an inner peace that other Americans will never find as they attempt to keep up with the Joneses, Craker said.

"They're not stressed out like we are. They're not wondering, 'How am I going to make my car payment?' " she said. "They're secure. They sleep peacefully because they know there's money in the bank."

Straw hats, quilting bees and life without electricity might not fit your style, but you might find some Amish habits and philosophies instructive and useful.

"Use it up, wear it out, make do or do without." Craker heard this rhyming adage repeated among the Amish. It describes their reluctance to replace anything before it's fully used. And when it seems kaput, they look for ways to fix it or repurpose it. That's very different than the way many Americans live.

"We live in a throw-away culture," Craker said. "We don't make do with what we have."

Ways to translate that into practical advice are to take time to "shop" in your own closet and pantry to use clothes and food you already have before buying more, she said. Look for ways to fix rather than replace.

"They keep their money as long as possible, and they almost do it with glee," Craker said. "It's definitely a different mind-set."

The Amish mind-set also happens to be friendly to the environment. "The Amish are incredibly green, but they are

inadvertently green," Craker said.

- "Don't work for a dead horse." The idea is you don't want to buy a horse on long-term credit because you could be working to pay it off long after the horse is dead. The Amish are fond of this philosophy, attributed to P.T. Barnum of circus fame.

"They're terrified of debt," Craker said. "They would never go to the store and say, 'I really want this new thing, and it's end of month, and I don't have money, so I'll just put it on a credit card.' It would make them sick."

Some Amish do have credit cards, but cards are mostly used for business expenses, and the vast majority are paid off in full every month, Wesner said.

"The idea that you pay on time and pay your debts is viewed as the morally right thing to do," he said.

The only household debt common among the Amish is a mortgage, taken to buy a home or farm, often with a very large down payment, he said.

"It's a live-within-your-means mind-set," he said.

- "More is caught than taught." That's what one Amish father of nine told Craker when she asked about how the Amish teach their children about frugality.

"The Amish don't have a session where they say, 'We have to teach little Jakob about being frugal,' " Wesner said. "It's absorbed by being in the culture. Kids know that they have to share. They have to make do with what they have."

Parents start savings accounts for children from an early age. Entertainment is usually simple, perhaps a board game or cards with the family in the evening.

- "Simpler often translates to cheaper," Wesner said.

Craker asked several Amish people what they indulge in. Many said ice cream, another said salad dressing, and another confided she coveted but seldom ate Ritz crackers. Those are quite different pleasures than taking joy in a sports car, 50-inch TV set or granite kitchen countertops. Of course, finding contentment in simpler things is easier in a simple society. Amish aren't bombarded with marketing messages from television, glossy publications and website ads.

That lesson might be to create an atmosphere in your home where simplicity and frugality are the norm.

- "You don't have to buy something new to buy something good." This was another refrain Craker heard from her Amish interviewees. The Amish make secondhand their first choice.

"They would never dream of paying full retail price," she said.

They like garage sales, thrift stores and estate sales.

"They're definitely looking for deals," Wesner said. "They have no problem buying used as long as it gets the job done."

- Find your inner "feinschmecker." Loosely translated, "feinschmecker" refers to an Amish foodie, someone who knows what good food is.

"They love good, natural, wholesome food, and they eat a lot of it," Craker said. "They eat like royalty."

They're not eating the types of processed foods found in the supermarket but fresh-from-the-farm food. For the non-Amish, shopping for in-season produce at a farmers market would be one way to eat better food and potentially save money. Craker took it a step further by cow-pooling. She bought part of a grass-fed cow from a local farmer, gaining rights to 72 pounds of meat made into ground beef, roasts and steaks - beef at a low \$2.10 per pound.

"I can't put a cow in my garage, but I did the next-best thing," she said. "Everything is cheaper when you cut out the middleman." Failing that, cooking more at home instead of dining out can be a step in the direction of becoming a feinschmecker.

-Getting value. "I've seen Amish pay over \$100 for a hammer," Wesner said, "but that's a hammer that over the long run will help him get the job done better. And it will probably be cheaper in the long run. It's not that they're totally cheap on everything. They appreciate value."

-Get a goal. The Amish don't save money just for savings' sake. They're focused on the long haul.

"It's a goal-oriented mind-set," Wesner said. "They use money for a down payment on a home when they get married. That's pretty important to them."

Saving is easier when you have a clear reason for doing it.

"There are ways to get what you want for way less," Craker said. "And that's the Amish way."

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