

Saving Yourself

America's enduring love affair with big spending is fetching up against some unromantic realities. But a lifelong saver assures us that there are worse fates than socking it away for a rainy day.

BY DANIEL AKST

REMEMBER JACK BENNY? CHEAPNESS WAS HIS shtick; on his radio and television shows he occasionally made hilarious subterranean visits to his money, which was protected by locks, alligators, and an ancient security guard who, from the look of him, had last seen action at the Second Battle of Bull Run. “Your money or your life,” to the rest of us, is Hobson’s choice; to Benny, it was an existential crisis.

Ah, those were the days—a halcyon time when, the Depression still a fresh memory, Americans enjoyed both affluence and restraint. Willy Loman’s refrigerator payments notwithstanding, consumer indebtedness at mid-century now looks like a mere flyspeck, at least from the towering mountain of debt atop which we sit.

We have managed since Benny’s heyday to get a little carried away. Alan Greenspan and the Chinese gave us too much credit, unfettered bankers chose greed over sobriety, and consumers snapped up McMansions financed by loans they could never repay. In 1980, American household debt stood at what must have seemed the enormous sum of \$1.4 trillion. Last year the figure was 10 times as large, only 24 percent of us were debt free, and more than half of college students carried at least four credit cards. Is it any wonder there were more than a million con-

sumer bankruptcy filings last year? Or that the nation’s banking system came close to collapse? The result of all this excess is a people hung-over from its recent intoxication with spending and flabbergasted by the bill from the wine merchant.

So thrift, supposedly, is back, implying, as the dictionary tells us, “using money and other resources carefully and not wastefully.” (The word’s etymological connection to “thrive” may come as a shock to some big spenders, but not to the truly thrifty.) Personally, I’m not certain that the resurrection of thrift—heralded on the covers of *Time* and *BusinessWeek*, among other places—is anything more than temporary. But as a lifelong cheapskate, I’m grateful that at least thrift no longer carries quite the musty and ungenerous connotations it once did. If we skinflints are the last ones to step out of the closet, it only means we can appreciate all the more heartily how nice it is to escape the smell of mothballs.

I’m talking here about real thrift, which for the most part involves *not spending money*. It’s not to be confused with the smug species of faux thrift that’s been in vogue for a while. You see it in shelter magazines and newspaper home sections, where rich people boast of furnishing their multimillion-dollar homes with zany castoffs and repurposed industrial *objets*. Or how about the children of one Joan Asher? *The Wall Street Journal* reports that after

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In this 1920s poster, money in the bank is its own reward. But penny-pinching satisfaction was no match for the feverish consumption that gripped America before the Depression.

three had inpatient nose jobs—attended by a private nurse each time—the fourth had to suffer through an outpatient procedure after which she was nursed at home by mom.

Real thrift, the skeptical, calculating kind that can make a difference between being solvent and not, is not a matter of cut-rate rhinoplasty. The quotidian penny-pinching I'm talking about used to have a bad name indeed, in much the same way as "spinster" and "cardigan,"

terms designed to penetrate directly to the unrestrained limbic brain. Sex, after all, sells, and thrift is the opposite of sexy. Kooky Scotsmen are thrifty. Flinty New England farmers are thrifty. Elderly pensioners are thrifty. Brad Pitt isn't thrifty.

This lack of sex appeal is one reason modern life has produced no great constituency for saving. Like dentists and Jews, saving has often found itself the subject of neg-

as we know very well from Jack Benny. Like his preening insistence that he was always 39—or that he was an accomplished violinist—Benny's pretend niggardliness was funny but also geriatric, unsexy, and possibly even emasculating. Men do in fact make passes at women who wear glasses, but do women melt for men who hoard gelt?

Evolutionary biologists, who seem to know everything about everything, suggest otherwise. The males of many species, including our own, evolved to attract females by means of costly displays—for example, the tail of the peacock, which he drags around to demonstrate his vitality to peahens. Lacking such plumage, human males resort to exotic European automobiles, pricey dinners, vulgar wristwatches, and other forms of showiness. (Human females are supposed to be seeking signs in such ostentation that a mate will spend on them and their offspring. In the modern world, of course, women themselves earn and spend plenty, often supposedly in answer to their own evolutionary imperative to look young and beautiful.)

Spending and sex thus are inextricably connected. "Easy come, easy go" might well have been our motto on both fronts until relatively recently. During the boom, people spent freely and were implored to do so on every side by purveyors of every conceivable thing, in

ative stereotyping in popular culture. In *McTeague* (1899), the novelist Frank Norris tars all three with the same broad brush in a melodramatic portrait of greed and its tragic consequences. *McTeague* is a good example of how, in literature, the prudently thrifty (who are perhaps inherently too boring for drama) tend to be overshadowed by the fanatically miserly. From Shylock through Silas Marner



In 1951, the Diners' Club took a permanent bite out of America's pocketbooks when it introduced the modern credit card. Initially, the "card" was a paper booklet stamped with the holder's information and containing a list of restaurants that accepted club credit.

and Ebenezer Scrooge right up to Mr. Potter (*It's a Wonderful Life*), Fred C. Dobbs (*Treasure of the Sierra Madre*) and C. Montgomery Burns (*The Simpsons*), it's clear that writers have always taken seriously St. Paul's assertion that the love of money is the root of all evil. Financial profligacy, it would seem, is nothing compared with being a greedy skinflint.

To the extent that thrift produces wealth, it breeds envy. The thrift, future-mindedness, and sobriety of the Jews have fueled prodigious achievements and equally prodigious anti-Semitism, and the association of thrift with a despised minority probably didn't do any good for the trait's public image. Shylock was far from the last money-grubbing Jew to besmirch popular culture; a coarse and monied Jewish stock manipulator is at the center of Anthony Trollope's *The Way We Live Now* (1875), and lesser such figures flitted in and out of books and movies well into the 20th century. Before Harold Lloyd finds himself hanging from the hands of a clock high above the sidewalk in the silent classic *Safety Last* (1923), he encounters such a character practically salivating with greed behind the counter of a jewelry store. One wonders

uneasily whether it was by sheer chance that Jack Benny—né Benjamin Kubelsky—chose a penny-pinching stage persona for himself. The man was by all accounts as generous in his private life as he was tightfisted on screen.

There was a time, of course, when thrift was in favor. It was practically a matter of life and death for the Puritans and a cornerstone of their work ethic, along with temperance, diligence, and piety. They excelled at deferring gratification, and it is one of the great ironies of American history that their preternatural self-discipline and industry launched us on the path to such unimaginable riches that thrift would be forgotten in the stampede to the mall. (On the other hand, if you have to be a victim of something, it might as well be your own success.)

Benjamin Franklin, who was hardly puritanical in any modern sense of the term, nonetheless embraced thrift and famously reminded us that "a penny saved is a penny earned" even before the advent of income taxes (which have made a penny saved worth *even more* than a penny earned). A relentless self-improver, Franklin as a young man "con-

ceived the bold and arduous project of arriving at moral perfection," and as an aid in this venture developed a kind of moral spreadsheet, writing the days of the week across the top and listing 13 virtues along the side, so he could plot his failings by date and category in a grid. Frugality ("waste nothing") was number five on the list.

Thrift was so important to Samuel Smiles, the great 19th-century Scottish self-help guru, that in 1875 he published an entire book devoted to it. Smiles's *Thrift* was a sequel to his earlier bestseller, *Self-Help*, which appeared in the landmark literary year of 1859 (when readers first encountered John Stuart Mill's *On Liberty* and Charles Darwin's *Origin of Species*). Smiles's oeuvre, which also included *Duty* and *Character*, made the case for the overriding Victorian virtue of self-control, a characteristic then associated not with the timid but the strong. For in those days, people understood the connection between money and virtue. "No man can be free who is in debt," Smiles tells us in *Thrift*. "The inevitable effect of debt is not only to injure personal independence, but, in the long-run, to inflict moral degradation."

We have self-help gurus today, of course, and some of

them (the ubiquitous Suze Orman, for example) even stress the connection between money and morals, but that's not why they are known or attended. We simply want the advantages of financial security and a higher standard of living. The reward for good financial management is a big house, a nice car—all the things that come from bad financial management, without the debt.

How did we get here? The transformation of thrift from a virtue into something verging on a social disorder occurred sometime between the 1880s and 1920s, when America transformed itself from a nation of want into one of, well, *wants*. Unbridled economic growth (fueled by decades of self-restraint and invested savings) undermined the Protestant ethos of self-denial and reticence, while the rising merchant class did its best to change the country's long-ingrained aversion to luxury. Consumer credit became more widely available, and religious denominations laid off the hellfire

and brimstone in favor of a therapeutic approach to happiness in the present. Vast new big-city “department stores” leveled the full force of their merchandising grandeur at women, who understandably preferred to purchase items they had once laboriously made. Catalyzed by mass communications (which made possible the stimulation of mass desire through advertising) and the rise of an urbanized middle class, consumerism exploded.

The loud noise caught the attention of two important social theorists, one of them famous and the other largely forgotten. It's yet another irony in the saga of America's love/hate relationship with thrift that we live by the precepts of the thinker whose name hardly anyone remembers.

First, the one you know about. Thorstein Veblen, the peripatetic Norwegian-American economist (he died in 1929, shortly before the great crash that might have brought him grim satisfaction), is best known today for his theory of conspicuous consumption, which argued that a lot of spending is just a wasteful attempt to impress. In effect, Veblen explained consumerism in terms of status and display, bringing evolutionary ideas to bear on eco-

nomics and consumer behavior to powerful effect. Reading Veblen is a little like reading Freud or Darwin, albeit on a smaller scale: Do so and you'll never look at the world in quite the same way again.

As you might imagine, the iconoclastic Veblen took a dim view of all the conspicuous consumption around him, regarding it as a species of giant potlatch in which competitive waste had run amok. You might call Veblen's the voice of thrift, and it is still heard today from leftist intellectuals who, from their tenured pulpits and Arts and Crafts homes, reliably denounce the spending of others. The truth is that nobody listens to these people, except to submit to their periodic floggings as a kind of penance for sins we have no intention of ceasing.

But there was another voice heard back when thrift was in its death throes—that of Simon Patten (1852–1922),

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like Veblen a maladjusted economist who had strong ideas about spending. Patten can seem naive and even crass to us today, for he used his pulpit at the University of Pennsylvania's Wharton School to advocate the very thing that Marx feared: that business and consumer spending should sweep away all the old arrangements and remake the world according to the doctrine of plenty. And he imagined a large role for economists in the running of it.

Unlike Veblen, Patten came on the scene not to praise thrift but to bury it. The old values that “inculcated a spirit of resignation” and “emphasized the repression of wants” must be abandoned, Patten argued, adding, “The principle of sacrifice continues to be exalted by moralists at the very time when the social structure is being changed by the slow submergence of the primeval world, and the appearance of a land of unmeasured resources with a hoard of mobilized wealth.”

Patten was hugely influential in his time, especially in helping liberals to see that something like Adam Smith's “universal opulence” should be a goal and not a cause for shame. His genius was in recognizing capitalism's poten-

tial for realizing something like a modern Cockaigne, the mythical land of plenty that beguiled the suffering masses in the Middle Ages. Patten's thinking opened the door to such later fulfillment-oriented intellectuals as Abraham Maslow and Herbert Marcuse, who implicitly (or explicitly) disparaged the idea of deferring gratification—a notion that would come to seem as pointlessly self-

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sacrificial as postponing happiness until the afterlife.

In important ways Patten and Veblen were both right about consumerism, but of the two Patten was the true radical. Beside his starry-eyed utopianism Veblen's sour conservatism is plain to see. As things turned out, it's Patten's world we live in, even if we use the language of Veblen to understand it.

Patten and Veblen both died in the 1920s, a decade when affluence, technology, and changing social mores joined forces to drive a stake through the heart of pecuniary restraint. Since then, modern America has effectively banished thrift by foisting on the world those four horsemen of the financial apocalypse: the automobile, the television, the credit card, and the shopping cart. Besides costing money to buy and operate, cars opened up the landscape so that more Americans could have bigger houses on bigger lots. To fill them up, people enjoyed the dubious guidance of television, which helped them figure out what they should want. Credit cards enabled us to conjure money on the spot to pay for stuff. And the shopping cart, unthinkable in traditional department stores but indispensable in their demotic successors—Wal-Mart and Target—gave Americans a way to get all that booty out to the automobile, which they could use to drive it home.

After the hardships of the Great Depression and the rationing and other deprivations of World War II (during

which Americans saved roughly a quarter of their income), nobody was too focused on thrift, and I can't say I blame them. Besides, spending stimulated the economy, which was something like a patriotic duty. In his 1954 study *People of Plenty: Economic Abundance and the American Character*, David M. Potter said of the contemporary American that "society expects him to consume his quota

of goods—of automobiles, of whiskey, of television sets—by maintaining a certain standard of living, and it regards him as a 'good guy' for absorbing his share, while it snickers at the prudent, self-denying, abstemious thrift that an earlier generation would have respected." Or as William H. Whyte put it in *The*

Organization Man (1956), "Thrift is becoming a little un-American."

Unfortunately, for a people who love money, we've become very good at making it disappear, a task to which we've brought characteristic ingenuity and verve. Reckless overspending was until recently a course open to practically every American, just like reckless investing. And suddenly we were all Emma Bovary, bent on financial suicide. "It is because she feels that society is fettering her imagination, her body, her dreams, her appetites," Mario Vargas Llosa once wrote, "that Emma suffers, commits adultery, lies, steals, and in the end kills herself."

He might well have been describing America, circa 2007. Four-dollar coffee drinks? Fourteen-dollar cocktails? Bottled water from Fiji, priced higher than gasoline? You've got to be kidding. Now that it's safe to come clean, I will confess to having been a bit of a refusenik about all this for most of my, er, 39 years on this earth. Every stick of furniture in my house is secondhand, as are many of my family's clothes, computers, bicycles, books, pieces of art, and other items. We've mostly had used cars, and we still have the new ones we bought in a single mad burst in 2001. The funny thing is, it's amazing what a nice life you can have with a middle-class income and Jack Benny's attitude about money.

More people are waking up to this particular old-time



Now that thrift is cool, secondhand goods have a whole new life.

religion. Since early 2008 personal saving has crept back up a few percentage points above zero (much to the consternation of stimulus-minded economists), and some long-term trends are likely to reinforce today's renewed interest in controlling spending.

It helps that conspicuous consumption, like tobacco, has fallen into social disrepute, a change that removes some of the pressure felt by many families to keep up with the Joneses (who may well have been foreclosed by now). Veblen was right that much spending is meant to be conspicuous, and if the display incentives surrounding consumption have changed, so will consumption.

Rising environmental consciousness ought to be a further spur to thrift, for what could possibly be greener—or more demonstrative of piety—than eschewing wasteful consumption? Although cutting global greenhouse emissions by building new power plants and the like can be expensive, many of the ways individuals can make a difference will actually put money in your pocket: eating less red meat, driving a fuel-efficient car, and taking fewer planet-warming plane trips, to name a few. The same goes for buying less stuff; making do with what you have or going secondhand uses fewer resources and of course reduces spending as well. A rising scavenger subculture threatens to erase the stigma that was associated with “garbage picking” when I was a kid, transforming shame into virtue. Like so many other things, this

“freecycling” is abetted by Craigslist.

You'll need to consider garbage picking now and then because in the years ahead we'll have to pay not only for our individual and collective overspending in the boom years, but also for our gigantic national outlays during the ensuing crash to bail out banks, insurers, and automakers and stimulate the economy to stave off a depression. We've been paying for all this by borrowing, so expect to pay higher taxes to retire

these debts. Speaking of retirement, have I mentioned Social Security and Medicare? Maybe I shouldn't.

So do our straitened circumstances give Jack Benny any more sex appeal? It's hard to believe he could make it on *American Idol*, but we might learn something from him nonetheless, for as any behavioral economist can tell you, there was method in his money-storing madness. From whom, after all, was he protecting his savings if not himself? Self-protective “commitment devices” like Benny's moats and alligators are already being used here and there—deposits to your retirement account are defended by hungry tax collectors, after all—and if we're smart, we'll use them even more in the future.

Fortunately, thrift is far from the worst thing we can have thrust upon us. To be thrifty, after all, is to save, and to save is not only to keep but to rescue. Thrift is thus a way to redeem yourself not just from the unsexy bondage of indebtedness but also from subjugation to people and efforts that are meaningless to you, or worse. Debt means staying in a pointless job, failing to support needy people or worthwhile causes, accepting the strings that come with dependence, and gritting your teeth when your boss asks you to do something unethical (instead of saying “drop dead”). Ultimately, thrift delivers not just freedom but salvation—which makes it a bargain even Jack Benny could love. ■