



AMERICA'S

cheapest

FAMILY



Every crisis has its winners: For example, **Annette and Steve Economides** from the United States. The sagging economy has made these two cheapskates into **celebrities and models for people** across the nation, for teaching people how to cut costs and save money. With many Americans fearing for their job, the Economides are tackling the **recession head-on.**

If the US makes it out of the economic crisis halfway OK, they may have the Economides to thank. The couple has published a set of guidelines called “Five Ways to Survive the Recession.” Lost your job? “Be creative, come up with something.” Money problems? “Plant fruit trees so one day you can harvest your own fruit.” Afraid of the future? “Share groceries you bought on sale with your neighbour who’s out of work. Give, and you shall receive.”

Now everyone in America knows the Economides family. The name is Greek, and means “son of he who economizes.” That’s a good fit, as the couple makes a living teaching others how to keep their personal finances together. Annette Economides, a somewhat plump 48 year-old, is already a celebrity saver, known by her fans as the “Diva of Discount” and “The Mavin of Savin,” as her husband, age 51, relates with pride. He too is a hard-core penny-pincher. When somebody calls his mobile phone while he’s at home, he immediately interrupts the caller: “Please call me on my home phone, otherwise I rack up charges.”

Heart-wrenching stories

Living with their five children in the state of Arizona, the couple was at first only known to serious skinflints. But since the recession their business has been booming, with their book “America’s Cheapest Family” becoming a bestseller, thousands of subscribers to their newsletter full of saving tips, and their web site traffic nearly tripling. This financially disciplined couple is now invited on talk shows and news programs, and their fan mail has increased so much that the Economides have had to hire an assistant to answer it all. “People tell us the most heart-wrenching stories,” relates Steve. “Most of them have no savings.”

What does he advise his fellow Americans in financial distress? First of all: prepare a budget. “Nobody likes to do that, but it is the best way

tip



A nation tightens its belt

www.betterbudgeting.com

Publisher Michelle Jones from metro Atlanta, who says she has fed a family of six for years on a weekly budget of 30 US dollars, is now passing on her know-how to fans via Twitter, her website—which offers a host of shopping tips—and in her books.

www.frugalliving.about.com

Blogger Erin Huffstetler rose to popularity talking about how to start a frugal lifestyle. Huffstetler studied art and communications at college, but says she got her real education “at flea markets and yard sales.” She also writes the blog “Crunchy Money” for budget-conscious people sensitive about the environment.

to get a grip on your expenses.” Secondly: reduce your fixed costs, for example by moving in to a cheaper apartment or obtaining several quotes to compare insurance offers. Thirdly: reduce your variable costs, such as by foregoing expensive desires and buying most things used, like at a flea market, on eBay or from people whose homes are being auctioned off. “You have to look at your family like a company,” says the cheapo pro, “and a business has to be profitable to be successful.”

Second-hand evening gown

The Economides not only look at their family like a business, it is a business, generating income in addition to their lifestyle-related savings. It all just happened somehow. In the 1980s it was pure necessity that forced these two young parents to creatively stretch their budget. Steve only made seven US dollars an hour as a graphic designer, and his wife wanted to stay home with the children. For years they got by on an annual income of only 35,000 US dollars. The kids went along with everything. “Shopping is much more fun when you save money,” says their daughter Becky, who got her high school prom dress for a mere 20 US dollars in a second-hand store.

Word got out about the couple’s money-saving acumen. At first they were active as volunteer debt counsellors at their church. Then six years ago, they turned it into a business, and the interest they encountered was so strong that Steve was able to give up his regular job. He assures people that nothing at all has changed about their lifestyle, despite the money they’ve made from their book, speaking engagements and talk show appearances: “Saving is in our blood.” And it’s fun as well.” They’re glad to allow television crews to accompany them on a shopping trip to the supermarket—as long as the TV company pays for the groceries.

One such trip took place recently, when they descended on a store armed with reams of coupons, special discount advertisements and two huge shopping carts. At the cash register the TV reporter

tallies up the savings: “You bought goods valued at 140.58 US dollars for 53.01 US dollars!” Annette and Steve laugh proudly into the camera, and the reporter says: “This must be a triumph for you, to more or less triple your money here!” “It sure is,” they respond, giving each other a high-five.

Budget counsellors have been highly sought-after in the US since the crisis broke out. Bookstores have entire tables stocked with books about surviving the recession, with titles like *Living Well in a Down Economy* from the popular *For Dummies* series. News broadcaster CNN has even declared a national “Frugality Day.” And readers of blogs like *Betterbudgeting* and *Frugalliving* passionately discuss issues like whether having a second refrigerator is a good idea, because it allows you to buy up huge amounts of sale items, or isn’t worth it because of the extra energy costs generated. Sales of sewing supplies are also up at supermarkets.

Hoarding in the genes

The tendency to economize is deeply anchored in our survival instincts, according to behavioural scientist Ronald Wilcox, professor at the Darden School of Business in Charlottesville, Virginia. “When we sense bad times are upon us, we start hoarding; in our modern society we hoard money.” That explains why the savings rate in the US went from zero at the start of the recession to 7 percent—even though people have less money.

Walking the dog, gardening, looking after the kids, doing the laundry—most middle-class US families stopped outsourcing these things to service providers some time ago. Now “insourcing,” is in instead, which means getting active at home. Steve Economides applauds this: “After all, if you’re unemployed, you’ve got time on your hands.” There is only one service the great economizer is happy to pay for—haircutting: “I warn men never to try cutting their wives’ hair.” Why is that? Economides laughs conspiratorially. “Because that can end up in a divorce, which is expensive.” This guy really does know all about saving money. ■

The Economides' golden rules

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ESTABLISH CLOTHING RULES TO PREVENT UNNECESSARY PURCHASES!

1

NEVER LEASE A CAR!

9

GO ON A CAMPING VACATION IN YOUR OWN BACK YARD!

2

DO ONE BIG MONTHLY SHOPPING TRIP ONLY!

8

GET KIDS WORK FOR THEIR ALLOWANCE!

5

CUT HIGH-DOSAGE PILLS IN HALF!

3

EAT LEFTOVERS ONCE A WEEK!

7

FREEZE YOUR CREDIT CARD IN YOUR FREEZER!

6

MAXIMUM SHOWER LENGTH 5 MINUTES!

4

LIMIT YOUR BUDGET, BUILD AN EMERGENCY RESERVE!