

Millionaires Who Are Frugal When They Don't Have to Be



Bob Weidner and Angela Marchi, outside their home in Lebanon, Pa. They are worth millions, but choose not to live that way. Credit Mark Makela for The New York Times

BOB WEIDNER likes to play a game when he goes to a high-end outlet store like Brooks Brothers or Ralph Lauren: How many things can he buy and not spend more than \$100? On his last visit, the answer was seven.

“Every year, we go up to the outlets and find a deal,” he said. “It’s worth it.”

His wife, Angela Marchi, who chides him for darning his socks (just the toes, not the heels, he said), prefers to buy her clothes twice a year when her favorite stores put last year’s styles on sale.

But she recently made an exception and bought her husband a Tommy Bahama shirt he had wanted — on a website that sells slightly worn clothes.

“He refused to pay full price,” she said.

You wouldn’t know it from their shopping habits, but Ms. Marchi, 56, a senior health care executive who has run hospital chains, and Mr. Weidner, 57, a senior researcher at a large nonprofit company, are worth millions of dollars. And while they own three homes — condominiums in Naples and Boca Raton, Fla., and a house in Lebanon, Pa., where they grew up, none of them are huge. One splurge is an annual trip to Italy.

The couple are the face of the self-made millionaire who has the financial security of true wealth, not the fleeting rush of sudden riches. While the popular perception of millionaires is that they are more ostentatious than frugal, recent research shows that single-digit millionaires, at least, are generally far more mindful about how they save, spend and invest their money.

“It’s about paying attention to what makes you happy and not just doing what our society tells us to do,” said Donna Skeels Cygan, a financial adviser in Albuquerque and the author of the book “The Joy of Financial Security.”

“They look upon money as a tool,” she said of couples like Ms. Marchi and Mr. Weidner, with whom she has worked. “It’s an important tool. They don’t neglect it, but they also don’t worship it.”

A recent report from UBS Wealth Management found that people with more money are generally happy, which probably doesn’t come as much of a shock. “I would say that millionaires in general are very happy,” said Paula Polito, chief client strategy officer at UBS Wealth Management Americas. “I wouldn’t confuse happiness with contentment or satisfaction or achievement.”

The UBS report found that satisfaction rose in line with wealth: 73 percent of those with \$1 million to \$2 million, 78 percent of those with \$2 million to \$5 million and 85 percent of those with over \$5 million reported that they were “highly satisfied” with life.

What piqued my curiosity was how conflicted the report’s respondents seemed to be about the source of their wealth. They often have jobs that entail long hours, high pressure and working vacations.

“Part of this pressure to keep going is less about greed and more about insecurity that might be self-imposed,” Ms. Polito said. “If you ask people, ‘If you knew you had five more years to live, would you act differently?’ they say they would. That’s a showstopper.”

Money buys happiness, the report said. But what good is that happiness if the millionaires who have it cannot enjoy the freedom the money gives them, the freedom that most people would love to have?

I set out to talk to people who had what I considered an attainable level of wealth for people with well-paying jobs and the ability to control their spending and saving through their lifetime. They had wealth starting at several million dollars, but it did not stretch above the \$10.86 million

estate tax exemption level for couples.

(Once people's wealth goes substantially past the estate tax exemption, they need tax and legal advisers for planning to minimize the estate tax. It's a good problem to have, but it changes how they think about money.)

There were common threads in this group. These were people who had all made the money in their own lifetimes and done that as much by saving, investing and making careful choices about spending as by making large salaries.

One of the big choices was what they spent money on. A common thread was frugality about cars. Not only did they buy modestly priced vehicles, they kept them for a long time.

But fancy cars were more of a proxy for unnecessary purchases. Steve Ingram, a real estate and oil and gas lawyer in Albuquerque, said he and his wife simply didn't care that much about material possessions.

"We have some nice things, but I drive a car for 10 years and then trade it in and get another car for 10 years," he said. "We like to travel, and we'll spend the money for that because it's worth it having a real experience together."

Mr. Ingram, 53, said he and his wife, Mary, 50, went to Charleston, S.C., and Savannah, Ga., last summer and on a New England foliage trip in the fall.

"We did go to Las Vegas one time and went into Cartier and bought watches for each other," he said. "That was a real splurge. Or maybe we'll buy a piece of art on vacation. That's the time you let go a bit."

Heather and John Darby, both in their mid-60s, said they waited until they were going to retire to build the house they always wanted, after making do with more modest homes. Their dream house is 3,600 square feet in Columbia, Mo., 15 minutes from the center of town, and far from their old lives in Los Alamos, N.M.

But they said they realized that what they really liked about their home was the privacy, so they bought three adjoining half-acre lots. "They form a semicircle that is a buffer between our property and where anyone else would build," Mr. Darby, a nuclear engineer, said. "I tend to spend money on good investments."

Why the habits that helped many of these people save millions of dollars persist when they are wealthy is harder to say. They may want to leave money to charity or to their children. Or they may simply not want for more than they have.

"Whether or not they realize it, they pay attention to what makes them happy," Ms. Cygan said. "They have selective ways to spend on extravagances."

Or they may not be comfortable spending because they have worked and saved their whole lives, said Sandra Bragar, director of wealth management at Aspiriant, an adviser that has clients with \$3 million to \$200 million.

She said she often encouraged clients to spend money on things that make their lives better or easier, like housekeepers, trainers and even personal chefs, but also on experiences that will make their lives fuller.

Either way, this group learns from its mistakes. Ms. Marchi said she and her husband had not been immune to the siren song of a large, beautiful home. “The two times that we did it we said, ‘Why did we do this?’” she said. “It’s just two of us. We don’t need this much space.”

They lost money on both houses when they had to sell them to move for work.

Given that experience, she never imagined having three homes, but she has a thought-out explanation. Naples is their permanent residence; the home in Lebanon, Pa., is close to her sister and elderly mother. They bought the condo in Boca Raton, where she works, cheaply, fixed it up and pay less on their mortgage each month than they would pay in rent.

And while she said she expected to lose money on their home in Lebanon when they were ready to sell it, she did not consider that a mistake. After her father died nine years ago, she said, she liked being able to fly up and stay close to her mother. It’s an example of spending money on something that matters.

But are multimillionaires who darn their socks really just cheapskates? Or are those little habits integral to their accumulation of wealth and part of the reason they have achieved a level of financial comfort?

“It’s interesting because it’s less about greed,” Ms. Polito said. “They’ve come from the middle class, the working class, and they still believe they’re part of the 99 percent, no matter what, because that’s how they identify themselves.”

And they don’t seem to take their wealth for granted. Ms. Marchi and Mr. Weidner play a gratitude game each night. One night this week, Ms. Marchi said she was grateful for antibiotics for an infection she had. For Mr. Weidner, it was shepherd’s pie — made by his mother-in-law.

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