

Kiplinger's Personal Finance
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The Good Life on \$8,000 a year?

by Kris Davis

Dale Lugenbehl and Sandy Aldridge never had high-paying jobs. But they were able to quit the rat race early by really embracing the simple life. Both taught at community colleges in San Diego but longed for clean air, green spaces and a slower pace of life.

"Each time I sold a house, I bought a bigger one to avoid capital-gains taxes," says Dale. His equity was growing, but so was his monthly mortgage payment. "I realized I was working to support the house, and that if we sold the house, went someplace that was less expensive and lived simply, we could be "job independent"-- meaning they could work if and when they felt like it.

So seven years ago, Dale and Sandy used about \$100,000 in proceeds from the sale of the house in California to buy building materials and eight acres of woodland in Cottage Grove, Ore. (population: 8,300). They put year's labor into building a 1,700-square-foot home that is heated by solar energy and a wood stove. The couple invested the \$170,000 they had left in certificates of deposit earning 6% to 7%, which pay about \$10,000 to \$12,000 a year in interest.

That's more than enough to cover about \$720 a month in living expenses -- two-thirds of which goes for taxes, and health, homeowners and auto insurance. How do they live on so little? Their only housing expense is for materials to make occasional repairs, which they do themselves. They cut each other's hair. Because they grow most of their own food in a summer and winter garden and on 29 fruit trees, their grocery expenses amounted to only \$225 last year.

And they no longer spend money on vacations or restaurant meals. "If your job doesn't burn you out, you no longer need to get away or eat out or shop to reward yourself," says Dale.

But they do enjoy luxuries, such as the sauna they built into their house, a hot tub in the woods, a fully equipped home gym (much of the equipment picked up at yard sales) and good-quality kitchen equipment, such as a \$400 dough mixer.

With their free time, the couple enjoy hiking, playing music with friends, gardening and cooking. They also spend time volunteering with groups like Earth Save, a nonprofit that advocates sustainable food choices. But they were soon drawn back into teaching a couple of classes a year. "The difference is that you say no to classes that don't interest you or at times of day that don't interest you," says Sandy.

And they like their low-expense lifestyle. "We feel very wealthy," says Dale. "If your income is triple your expenses, that feels pretty comfortable."

Letter to Editor: October issue, 2001

Dear Editor;

Thank you for an important and well-written piece on the topic of voluntary simplicity! Your August article does an excellent job of making it clear that it is possible to create the time to do what one really loves by lowering personal consumption and choosing to be happy with fewer material possessions. Because we are featured in the article, we feel it is necessary to correct a very important omission regarding our reasons for choosing a simpler lifestyle.

Simply put, lowering personal consumption is the single most important thing that any of us can do to benefit the environment that supports all human and other life on this planet. Every time we choose to consume less, we are causing fewer resources to be extracted from the earth; we are encouraging less manufacturing and distribution with all of the energy usage and pollution that those processes generate; ultimately we are sending less to "the landfill." Lowering consumption is a way of living that puts fewer demands on the earth.

In recent years, we have all been encouraged to believe that our environmental efforts should be focused on recycling. But consider this: for every 100 pounds of product that ends up on a shelf in a retail store, 3,200 pounds of waste is produced along the chain of production. Recycling the pound or two of packaging that came with the product does not address the 3,200 pounds of waste we never see. A far better solution is to reduce consumption in the first place.

Those of us in the U.S. make up only 5% of global human population and yet we use 30% of the earth's resources and generate 30% of the global pollution. Personal consumption in the U.S. has increased 45% in the last 25 years. Yet, when polled about happiness, we are no happier today than in 1957 when people typically had a great deal less. Living simply not only makes good personal sense, it also makes good environmental sense, and leaves more for those who do not have enough to have decent lives. As Gandhi once said, "Live simply that others may simply live."

Sandy Aldridge
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Cottage Grove, Oregon