

An IAV Report

Kansas Thrift

An Appreciation
and a Proposal

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Introduction

THIS ESSAY HAS A MOST CURIOUS HISTORY. It began as a proposal for a new and in some ways radical state-level public policy reform to promote thrift—a reform that had the backing of Governor Sam Brownback of Kansas. Then something else happened. I grew up in Mississippi and have lived for decades in New York City, but while working on this essay, I fell in love with Kansas. It sounds corny, but there’s really no other way to put it. As a result, what began simply as a proposal for a policy has ended up in large measure as a love letter to a place, and to that special place’s relationship to the concept of thrift.

Then something else happened. At the last minute—only weeks before I was anticipating being a part of the public announcement of the new initiative to repurpose the Kansas Lottery to help people save—Governor Brownback changed his mind and withdrew his support of the idea. He never told me and my colleagues why. Instead, he went in exactly the opposite direction, implementing a plan that he’d inherited from his predecessor, Kathleen Sebelius, to build state-operated casinos in Kansas—yet another opportunity to encourage Kansans to lose their money rather than save it. As a result, what began as an announcement of a new direction in public policy that was actually being undertaken has ended up in large measure as a plea to some future leader—in Kansas, or in another state—to consider reforming in the name of thrift the dishonest farces that are today’s state lotteries.

So this essay is an odd stew. There’s a policy proposal. There’s an appreciation of a place. And throughout there’s an exploration of a frequently neglected American value. I hope the stew tastes good.

PART ONE: AN APPRECIATION

1. Wilbur's Big Idea

OUR STORY OF KANSAS THRIFT begins on a fine day in April of 1913 in the small town of White Cloud in the far northeastern corner of the state on the Missouri River, when a ten-year-old boy named Wilbur Chapman meets a visitor named William Danner.

Wilbur's parents were missionaries. Both had attended the University of Kansas and together had found their life's calling as part of a YMCA-inspired youth religious revival which, according to one historian, "swept like a prairie fire"¹ over Kansas in the late 1880s and early 1890s. Inspired by their faith, the young couple dedicated their lives to a new organization called the World's Gospel Union, later called the Gospel Missionary Union, aiming at global evangelization. In April of 1913, Wilbur's father, Charles, was home on leave, having spent more than a decade selling bibles and preaching the gospel in Ecuador and Columbia. His mother Manie, whose health had become too poor to remain overseas, supported their work in many ways from their home in White Cloud.²

Responding to the biblical injunction to "cleanse the leper," Mrs. Chapman started prayer groups in the area to seek God's help in caring for the world's lepers. When she thought the time was right, she wrote to the head of the American Mission to Lepers, a man from Boston named William Danner. Come visit us in White Cloud, Mrs. Chapman wrote. We've been praying for the lepers. If you'll visit our churches, she said, I believe you can raise \$250, enough to care for ten lepers for a year.

A good and dedicated man—like Wilbur's parents, he had come out of the Western YMCA movement and as part of that work in 1903 had started a YMCA "health farm" near Denver, Colorado for boys suffering from tuberculosis—William Danner went to White Cloud.³ He stayed in the Chapman home. He befriended young Wilbur, who soon enough was calling him "Uncle

Will.” He visited and spoke in four local churches—in a town of about 750 people—and raised a total of \$225 for the American Mission to Lepers. A disappointed Mrs. Chapman apologized to him for not meeting their goal of \$250, for the ten lepers.



This photo of the White Cloud Kansas Train Depot was taken in 1910.

At the train station before dawn, waiting to head back East, Chapman recalls that he took three silver dollars out of his pocket and “slipped them into Wilbur’s hands as I said good by, asking him not to show these to anyone till morning.”⁴

Several weeks later Danner got a letter from Wilbur. In the fall, Wilbur wrote, I’ll use the three dollars to “buy a pig, and feed him, and see if he will not grow big so I can sell him for enough to support a leper for a year ... Mother’s tenth leper! Do you see?”⁵

Danner saw. In November he got a second letter. Wilbur had saved the three dollars all summer. Now he’d bought the pig. Moreover, the pig was becoming a local celebrity! People had learned about Wilbur’s idea, and many children in town were eager to help Wilbur feed “the leper pig.” The pig was growing. Wilbur had named him Pete.

In the spring of 1914, Wilbur sold the pig and sent \$25 to the American Mission to Lepers, finally raising White Cloud’s contribution to \$250 and completing the pledge for “Mother’s tenth leper.”⁶

That’s how the story begins. Moved by what Wilbur had done, Danner shared the story with friends at a prayer meeting. One of those friends worked at the *Sunday School Times*, an important national publication at the time serving Sunday School teachers. He asked Danner to write a story for the *Times* about Wilbur and the pig. Danner agreed.

The story caught on. Sunday School teachers across the country began collection drives in which children would contribute coins to “feed Pete” so as to help the lepers. Soon the American Mission to Lepers was distributing thousands of metal (later, plastic) “Pete the Pig” banks for children to fill with coins. By 1919, 11,000 “Pete the Pig” banks had been distributed to U.S. Sunday Schools.⁷ By 1938, the number had reached 100,000, and contributions to the American Mission to Lepers from U.S. Sunday School children had exceeded \$1 million.⁸

“How to Get a Pete Bank”



“Any person or group wishing to feed a Pete to help the lepers may join the Golden Pig Bank Brigade. Send fifteen cents to the American Mission to Lepers and you will receive a bank and a copy of this story. When Pete has been well fed, remove the screw, take out the money and send it, preferably by money order or check, to the Mission to Lepers. Then Pete will be hungry for more meals.”

From a circular distributed by the American Mission to Lepers, circa 1920s

Today this story is all but forgotten. But it's worth remembering.

When you were a child, you probably had a “piggy bank.” Do you wonder who conceived this idea and what made piggy banks so popular? There's no single answer. Linking the concept of pigs with the need to save money has been around for centuries; for example, earthenware money-boxes called “penny pigs” or “pinner pigs” were popular among British children in the 19th century.⁹ But one apparently important influence on the specific evolution and popularity of the “piggy bank” in the U.S. was the phenomenal success of the “Pete Pig” campaign which grew out of Wilbur Chapman's big idea in 1913.



Pete Pig No. 18653 (now plastic, not metal; now green, not gold), circa 1930s

That big idea can be summed up in one word: thrift. It comes from the word “thrive” and it's one of the English language's oldest and most important words. It's also one of our language's most commonly misused words, since many people, both in Wilbur's day and in our own, have confused thrift with stinginess.

At the same time, arguably the 21st century's most important ethical imperative—using resources wisely, or what many people today call sustainability—has traveled for much of our nation's history under the name of “thrift.” Although this history has been largely forgotten, for decades the virtue of thrift was widely taught and preached in the U.S. and was formally celebrated each January by millions of American children and adults.¹⁰ In that sense, contemporary proposals aimed at increasing sustainability—no more plastic bags at grocery stores, reducing food waste, more bicycles and fewer cars, more saving, more use of green energy—are as old-fashioned as grandma's nightgown, reflective of this venerable, frequently misunderstood, and often overshadowed American value. Thrift as an ethic stems ultimately from

the idea of stewardship. The great American apostle of thrift was Benjamin Franklin, whose achievement was to popularize, in part by rendering more secular and accessible, the Puritan teachings on stewardship as formulated by Cotton Mather and other New England Puritan divines in the 17th and early 18th centuries.¹¹ The best definition of thrift is wise use. The opposite of thrift is waste. In practice, the discipline of thrift means working hard and honestly, being frugal and saving all you can, and unselfishly giving back all you can. Like Wilbur did!



Photo taken on May 22, 1938, in front of the Zion Methodist Church on Main Street in White Cloud, Kansas, at the dedication of the Wilbur Chapman monument, commemorating the 25th Anniversary of Wilbur and “Pete the Pig.” Seated at right is Wilbur Chapman. Seated next to Mr. Chapman, with the cane, is W. A. Danner of the American Mission to Lepers, who in 1913 gave ten-year-old Wilbur the three silver dollars. Standing next to Mr. Chapman is Chief White Cloud of the Iowas.

2. Thrift, Kansas-Style

CENTRAL KANSAS MARKS the precise geographical middle of the United States.¹² In *Leaves of Grass*, Walt Whitman touches upon this geographical fact when he describes his poems about the United States as “Chants going forth from the centre from Kansas, and thence equidistant.”¹³

Kansas also straddles two of America’s five major geographical provinces—the central lowlands, which includes the portion of Kansas located east of Wichita, with its hills, trees, and tallgrass prairie; and the Great Plains, which includes the portion of Kansas located west of Wichita, with its largely treeless, short-grass, semiarid, high plains and its sharp fluctuations in weather and extremes of temperature. Craig Minor, the great historian of Kansas, describes this middle area of Kansas—roughly along the sixth principal meridian, marked north to south by the cities of Concordia, Salina, and Wichita—as “exactly in the center of the United States, neither northern nor southern, neither eastern nor western, neither predictably hot nor cold, wet nor dry.”¹⁴

This geographical sense of Kansas as a duality which also adds up to a middle or mid-point—the western high plains meeting the greener eastern prairies in the center of the nation—also seems to help produce, and be reflected in, the state’s social and cultural life. Kansas as an American state was formed in the 1850s during the great national struggle over slavery that was soon to lead to the Civil War. Indeed, during these years, much of that national struggle was centered in what came to be called “Bleeding Kansas.”

In the course of this conflict, many of the first and most influential white settlers in Kansas—establishing their communities primarily in the eastern, tall-grass regions near the Missouri border—came in organized groups from New England. Free and cheap land was certainly an attraction for these emigrants. But another strong motivation for many of the New Englanders (and others, particularly from Ohio, Indiana, and Illinois) who settled eastern Kansas was religious and political. One man, recalling years later to his children and grandchildren why his family had emigrated to Kansas during these years, said: “My father wanted it to be a free state and wanted to do his bit to make and keep it free.”¹⁵

When Eli Thayer in a speech to the U.S. House of Representatives in 1858 declared that “the best of the Yankee race went to Kansas” and that “It was necessary that Plymouth Rock should repeat itself in Kansas,” or when in the 1870s the famous Kansas statesman, writer, and orator John J. Ingalls similarly declared that “Kansas is the child of Plymouth Rock,” they were voicing a theme that many others were stressing and have since stressed.¹⁶ As a result, it seems clear that Kansas—and eastern Kansas in particular—owes a real portion of its historical and current identity to spiritual and political idealism and to the Yankee and Puritan virtues of thrift, diligence, honesty, and religious seriousness and piety.

West of Wichita, life in Kansas developed somewhat differently. Almost everything about Kansas in the 19th century was difficult (the state’s motto is *Ad astra per Aspera*, or “To the stars through Difficulties”), but western Kansas was almost surely ... *more* difficult.

Settled areas were fewer, smaller, and farther between. Conditions were more harsh. The weather was more violent, and the wind more unrelenting. (To fight the wind, women in Kansas sewed lead weights in the hems of their skirts.) Earning a living was more precarious, and extreme frugality more often a requisite of survival. (Said one homesteader living in western Kansas in 1877: “This is the way to find out for how little a man can live.”¹⁷) The broader economic cycles of boom and bust, surplus and debt—guided by things as diverse as the weather, railroad development, and speculation in land—were more sudden and more severe.

Things in general were wilder and more syncretic, with (for example) a greater likelihood of frugal, church-going farmers (“nesters”) trying against the odds to wrestle a modest living from an unforgiving climate living in fairly close proximity to groups of transient, free-spending cowboys up from Texas who tended, when it came to recreation, especially to enjoy saloons, prostitutes, and gambling.¹⁸ As a result, Kansas—and western Kansas in particular—owes a real portion of its historical and current identity to the wilder, more open-range virtues, including those of risk-taking, endurance, independence, resourcefulness, democracy, and future-mindedness.

And somehow, these two regions over time have combined, blended, and made a whole—a whole that draws upon both, and that seems to add up to something that we can call the broad middle of the nation. And more particularly, when it comes to how we think about and use money and other resources, what combined and blended and took root in Kansas adds up to something that we might call American thrift.

For, with respect to thrift as cultural value, what seems to have emerged in Kansas is a kind of hybrid. Call it eastern thrift in western gear: classic Yankee teachings carried out under wide-open skies and in conditions of radical democracy of which the old Puritans of New England could hardly have dreamed.

To understand what this kind of thrift looks and sounds like, let's briefly consult with Howard Ruede of Bethlehem, Pennsylvania, who in 1877, as a young man of 23, moved to Kill Creek in Osborne County, Kansas, to claim a 160-acre homestead and start a new life on the prairie. His letters home tell quite a story. Money was extremely scarce—"Oh, well, I have still 70 cents and that will last a while yet"—and Ruede and his neighbors (many of them, like him, recent arrivals from Pennsylvania) frequently found themselves of necessity bartering with others on a non-cash basis, such as working for a day on someone else's homestead in exchange for a day's food and a place to sleep, or washing another family's clothes if they furnish the tub and the soap, or using wheat or wood to pay for a subscription to a newspaper.¹⁹ And no matter how hard things got—and they got *very* hard—Ruede hated the idea of going into debt. He warns his younger brother back home:

Syd, I'm ever so much obliged for the loan of those \$10. If you have any more to loan, send it along, but do not borrow any money to loan to me. I am not in debt, and don't want you to go into debt on my account. I'd rather wait a little longer for a thing and pay cash for it. Then nobody can dun me or you. There are lots of men here who borrowed money and now wish they had not, and I am bound to profit by their experience. So remember, don't borrow to help me along.²⁰

Perhaps most importantly, Ruede did not believe that his sod house and his lack of possessions diminished him. Quite the contrary. In Kansas, what matters is not what you have, but who you are. Fancy doesn't count for much. Showing off doesn't go with the climate. In Kansas, Ruede says, "A man in

rags is as much respected as if he was dressed in broadcloth, provided he shows himself a man.”²¹

Thirteen months after Ruede wrote those words, another Pennsylvania farmer from Central European stock—this one named Jacob F. Eisenhower, from Elizabethville, in the Lykens Valley—moved with his wife, Rebecca, to Abilene, Kansas to start a new life. Years later their grandson Dwight, who in 1953 would become the 34th president of the United States, remembered—in words very similar to those of Howard Ruede—what it was like growing up in Abilene, Kansas, around the turn of the 20th century.

Physical work was done by almost every male. The capitalists of town were no less immune than the poorest. They spent hours each week in currying horses or greasing the axles of a buggy, in managing a base-burner and sifting unburned coal from its ashes. In fact, the last-named task was the mark of a man who knew the value of money. “Waste not, want not” and “A penny saved is a penny earned” were the rule of life.²²

William Allen White makes the same point regarding life in Emporia, Kansas, at the turn of the century. Compared to a city such as New York, White claims, social life in Emporia is “instinctively democratic.” Directness and “social sympathy” for one’s fellow citizens are the norms, while ostentation and class snobbery are not. This “democratic spirit” can often override differences in income (which aren’t very large in Emporia anyway), since “there is something in touching elbows with men at work—men who are your equals and make you acknowledge it a thousand times a day—that gives a man a philosophy worth more than millions.”²³

Work hard and honestly. Don’t give up. Save for a rainy (or dry) day. Avoid getting into debt. Look out for your neighbor. Don’t put on airs. Don’t think that you are high and mighty. Treat everyone like you’d expect to be treated, no better and no worse.

American thrift, Kansas-style.

3. “Sons of Ichabod”

TO SEE HOW NEW ENGLAND has left its mark on Kansas, let’s briefly visit Washburn University, an attractive, publicly financed, municipal university offering liberal arts and professional education to about 7,000 students, located on a 160-acre campus in central Topeka.

According to the “Historical Sketch” written in 1886 by Peter McVicar, who was then serving as the President of Washburn College, Washburn traces its roots to 1857, when a group of Congregational ministers with deep New England roots “conceived the idea of founding a Christian college in Kansas” that would help to “transplant the principles and institutions of the Puritans to these fertile plains.”

The would-be founders faced many difficulties. Topeka town leaders seemed to equivocate on their financial and land-grant promises to the ministers. As a result, for a time the ministers considering relocating their project to nearby Lawrence. Money and resource were scarce. Some sacred ruins acquired from the ancient Mesopotamian city of Nineveh, intended for display at the new college, in fact got no further west than Boston, due to “lack of means on the part of the College.” More importantly, the year of 1860 became known in Kansas as “the year of drought,” resulting in “an almost entire failure of crops throughout the Territory,” bringing progress on the college to an abrupt halt.

Then the war came. As Dr. McVicar put it in 1886: “The public attention was absorbed in the problem of national perpetuity. Who could venture on such an undertaking [as the founding of a college] when the nation itself seemed to be in jeopardy?”

And yet, the ministers persisted. In early 1865, shortly before the end of the war, the state of Kansas legally incorporated what it called “an institution of learning of a high literary and religious character, to be named Lincoln College, which shall commemorate the triumph of liberty over slavery in our Nation ...” The college was also dedicated to “the furtherance of those ideas

of civil and religious liberty which activated our fathers in the Revolutionary struggle” and to providing “to all classes, without distinction of color, the advantages of a liberal education ...”

Classes began in 1866. In 1868, Ichabod Washburn, a prominent church deacon and business leader from Worcester, Massachusetts, donated \$25,000 (about \$3 million in today’s dollars) to the new college, leading the trustees promptly to changed the name from Lincoln College to—you guessed it—Washburn College. In 1905, a Topeka sports writer began calling Washburn football players the “Sons of Ichabod.” Today, the school mascot is the “Ichabod”—a character who looks pretty much exactly like a wealthy New England industrialist from the 19th century purposefully striding toward his intended goal.



“The Ichabod”

The main building was completed in the 1870s, thanks to additional generous gifts from donors from western Massachusetts and Hartford, Connecticut. Dr. McVicar notes: “What rendered it [completing the main building] especially difficult to carry through the enterprise was the fact that in 1873, 1874, and 1875 even, were years of great financial depression throughout the land, and Kansas has to bear the burden of the grasshoppers in addition.” Additional donations from New England philanthropists during the 1880s made possible the completion of the library, the chapel, and a building to house women students.

The Rev. Peter McVicar, a Congregationalist minister, was an original trustee of Lincoln College and served as the president of Washburn College from 1871 until 1896. He is considered the “Grand Old Man” of Washburn, the institution’s main overall builder and visionary. On or near his desk he kept a well-read copy of *The Works of Jonathan Edwards*, a book of almost crystalline New England and Puritan thinking, which today is displayed, along with some other artifacts from his life, in the main Washburn library. President McVicar was a religious and political idealist—a strong abolitionist, a pioneer in the area of public education (he also served in the 1860s as a

Kansas state superintendent of education), an early and strong supporter of women's suffrage, Negro education, and the mutually beneficial reconciliation of religion and science.

In his 1886 "historical sketch" of Washburn, he commends the Trustees for their steady willingness to "push the work." Push the work, indeed. In 1871, when he became president, the College had 55 students. In 1886, McVicar tells us, it has 250 students. In a classical expression of thrift, he concludes: "The growth of the College has been gradual, but it has been a sure and healthful growth."

In short, Peter McVicar seems to have been pretty much exactly the type of person, and Washburn exactly the type of institution, that William Allen White had in mind when in the 1920s he called Kansas "a Puritan survival" and "as a state the sole legatee and custodian of the New England conscience."

Washburn University is one example of this interesting Kansas phenomenon. There are many others, especially in the area of higher education. For example, Wichita State University traces its origins to 1886, when it (just like Lincoln/Washburn) was founded by progressive Congregationalist pastors with New England roots, who called it Fairmount College.

Kansas State University, located in Manhattan and one of the first land-grant institutions in the United States, began its institutional life in 1863 as Blue Mount Central College. The college's main founders were Eli Thayer of Massachusetts and Isaac Goodnow of Rhode Island, both leaders of the New England Emigrant Aid Society, which had established the town of Manhattan (originally called "Boston") in 1855 as a part of the struggle to establish Kansas as a free state. And the state's largest institution of higher education, the University of Kansas, in Lawrence, first opened its classroom doors in 1866, thanks to the financial generosity of Amos Adams Lawrence, an anti-slavery leader and Emigrant Aid Society supporter from Groton, Massachusetts, after whom the town of Lawrence, Kansas is named. Amos Adams Lawrence, in turn, was the son of the famed Massachusetts merchant and philanthropist Amos Lawrence, after whom the town of Lawrence, Massachusetts is named. We can see that in some cases the idea of the "Sons of Ichabod" at work for good in the Kansas prairies was more than a metaphor! ²⁴

4. “Anything Might Happen”

TO SEE HOW OTHER STRANDS OF AMERICA, quite apart from New England, took root and flourished in Kansas, particularly in western Kansas, let's briefly visit Norton County. Located in the High Plains of far northwestern Kansas, Norton County was established in 1872. In the 1940s, the historian and writer Amy Lathrop collected stories of the county's "old settlers" for her wonderful little book published in 1948, *Tales of Western Kansas*. Here are some excerpts. Look for the signs and varieties of thrift.

George Scott brought his family to Kansas in 1872, and came to Norton County in '73, driving a blind team of horses. En route they had to ford streams so swollen that they even feared to attempt the crossing. Perhaps because of the very blindness of the horses, they got over safely, babies and everything. Prairie grass was good that year, so Scott cut enough by hand to feed the blind horses over the winter.

Then came the big prairie fires which did so much damage in the county that year. It burned the stacked hay and all the uncut grass on the prairies and the horses starved to death. The man [Scott] built a dugout in the creek bank to make shelter for his family and walked back to Brown County to earn money to feed the little family. Each month when he returned, he spent his money for food and necessities and carried them back to the family on his back. One time his return home was delayed for three days. Supplies in the dugout were gone so the mother went out to the creek and pulled nettles to cook ...

For two weeks at one time the entire family lived on parched corn ground in the little coffee mill. There was relief being given at that time in the county, but such sturdy souls refused it then and always.

What money they saved was converted into gold. They had little faith in the banks and for years when bills were paid, it was always with twenty dollar gold pieces, hoarded in their own hiding place at home.

One old woman had never had a mop until years after all the family were supplied with necessities and even luxuries. Finally she bought herself a "store" mop, and so great was her pleasure in it, that she often said, had she it to do over, she would have never waited so long to buy a mop, extravagant though it was.

Housekeeping in those days was never a sinecure. Fleas, bedbugs, and packrats, like wind and dust, were always everywhere. Wooden floors finally kept out the fleas,

but dirt roofs and uncovered rafters made safe lodging for bugs. A kettle of boiling water, a feather and a bottle of poison were her daily companions as the housewife did her work.

In the new country, doctors were few and far—oh, very far—between. Calls were many and travels were slow. Many a mother was compelled, alone, to make her own delivery and then care for her babe and possibly older children until husband or others came to her aid.

“Prairie Coal” was the fuel many pioneers had to depend on much of the time. Gathering up the buffalo chips, turning them daily to aid in the drying, and carrying them into the house, were part of the routine chores which children performed regularly.

With the booming of the new country, came the “Ladies of Joy.” One of the best known as well as the earliest was “Auntie,” “Pussy De Cue,” later Mrs. Tom Snooks. At her “parties” she was wont to serve homemade bread and cakes, made by the town’s women, who were happy to earn an extra bit of money, even while they hated the woman.

That was the first drug store in the county. He started business with one barrel of whiskey.

In old Almena the Reverend David Good organized the first congregation in 1874, in a dugout built south of the bridge on the west bank of Horse Creek ... The building, 14 by 20, was used for both school and church.

In the late ‘70s and early ‘80s there was a good bit of cattle rustling and horse stealing throughout the county. Apparently honest and respectable settlers tottered on the brink of respectability.

Asked about early days of hardships and grasshoppers, he had no great grief to remember. They always had enough to eat and to spare to others.

Here [in Norton County] people of culture, education and wealth, people who had traveled, rubbed elbows with horse thieves and murderers and lived on the next claim to rough, boorish men who had landed here with anywhere from a dime to ten dollars left in their pockets. Anyone might come here and anything might happen.



Dugout home in Norton County, Kansas



Norton, Kansas, about 1885

5. The Rise of Kansas Thrift Institutions

LET'S PICK A DECADE FROM KANSAS HISTORY. Let's make it the 1920s—only a few years after Wilbur's story.

We can start with business leaders. In July of 1922, a group of Abilene, Kansas employers led by the utilities company executive Cleyson L. Brown began requiring all of their employees to save at least ten percent of their wages. With a "Director of Savings" overseeing the plan and with the campaign slogan "You Must Save 10 Per Cent!", the program was designed to promote "home-building and laying up for a rainy day." By 1927, about 1,400 Abilenians had significantly reduced their indebtedness and had saved nearly \$1 million, with "the average nest-egg being \$636.00." Commenting on this initiative, the journal *The Independent* says: "It is not unusual for Kansas to present novel ideas in government or economics and it is entirely in keeping with that state's record that the newest thrift idea should be operated there." Mr. Brown similarly hoped that the Abilene plan could point the way to "a larger movement in thrift" in Kansas and in the nation.²⁵

Kansas during this decade was also the home base of the Harvey Company, which had been founded by the thrift visionary Fred Harvey of Leavenworth. Harvey's big idea, which began with the establishment of a lunchroom in the Topeka, Kansas railroad depot, was to provide excellent food and accommodations at low prices to passengers all along the Santa Fe Railroad, while providing jobs to thousands employees who staffed his famous "Harvey Houses." "Everything about" about a Harvey House, says a glowing article in the *Leavenworth Times*, "must reflect decency, order, thrift, cleanliness, good cheer, system."²⁶

At the same time, probably the main push for Kansas thrift during the 1920 came from the organized grass roots. In 1922, the Kansas Women's Relief Corps—a women's group dedicated to aiding and honoring Civil War veterans and their families—launched what they called "a new line of work" for the group: A Thrift Committee. The committee's chairman, Sarah Stahl of Coffeyville, Kansas, foresaw great possibilities. She wrote: "The thrift movement

is receiving the attention of the people all over our land and splendid results are seen along that line.” Then Mrs. Stahl and her committee had an idea. The following year, the new committee reported:

The plan adopted be some corps of opening an account with deposit of a dollar in the name of newly arrived children in families of corps members is such an excellent one that banks have taken up the idea and are presenting the little bank book, with the deposit of one dollar credited, to every child born in the community during the year.²⁷

In December of 1925, the monthly *Bulletin* of the Kansas Building and Loan League described the League’s plans to participate in the upcoming “National Thrift Week,” celebrated across the nation each January (to coincide with Benjamin Franklin’s birthday of January 17) and aimed, as this article in the *Bulletin* puts it, at “the cultivation of public opinion in favor of thrift.”²⁸

And it turns out that Thrift Week 1926 was a big deal in Kansas. Headlines that week in the Topeka newspapers include:

*Topekans Get Ready to Observe Thrift Week*²⁹

*Thrift [Is] Not Stinginess*³⁰

*Topeka Churches Plan Thrift Week Services*³¹

*Thrift Week Posters Up*³²

*Co-operation in Thrift Week Program Urged*³³

*[Gov.] Paulen Lauds Thrift Week*³⁴

The *Topeka Daily State Journal* predicted (accurately) that in Kansas

hundreds and thousands of people of all ages and conditions will hear the Thrift Week messages—Work and Earn, Make a Budget, Record Expenditures, Keep a Bank Account, Carry Life Insurance, Own Your Own Home, Make a Will, Invest in Safe Securities, Pay Bills Promptly, Share with Others.³⁵

Thrift Week posters appeared in stores along Kansas Avenue. The Rev. Lynn H. Rupert, pastor of Topeka’s Euclid Avenue Methodist Church, one of many Topeka churches participating in the program, announced that “the evening Service at his church Sunday will be entirely devoted to a Thrift Week Message.”³⁶ The Topeka Building and Loan Association ran Thrift Week ads all week in the Topeka newspapers, including one with a photo of the Topeka

building and loan headquarters at 534 Kansas Avenue with a caption reading “The Home of Thrift,” and another offering Topekans a free “Budget Book” and reminding them that “Consistent Saving is the Backbone of Success.”³⁷ Both U.S. Senators from Kansas endorsed Thrift Week, as did Topeka Mayor James E. Thomas.³⁸ And Kansas Governor Ben Paulsen asked “every good citizen of Kansas” to observe the occasion, and in particular urged Kansans to make use of “the convenient facilities afforded for systematic saving.”³⁹

A few months later, the Kansas YMCA, a key sponsor of Thrift Week, summarized their 1926 “Kansas State Thrift Campaign” as follows:

State YMCA Secretary West addressed 800 of the most progressive bankers at 8 district conferences in company with State Bankers’ Secretary W.W. Bowman. Marco Morrow [and others] secured the help of all leading newspapers. Governor [Ben] Paulen issued a Thrift Week proclamation [which was] printed in practically all Kansas newspapers ... Approximately 100 Hi-Y Clubs in smaller cities conducted thrift programs. Messages on Thrift from distinguished citizens were widely circulated.⁴⁰

The aforementioned building and loan movement in Kansas—a grass roots network of citizen-led thrift organizations whose members pooled their savings in order to help one another buy and improve their homes—dates as far back as 1888, but the 1920s was a decade of impressive statewide growth for the movement. In 1920, for example, there were 90 building and loan associations in Kansas, with a combined membership of about 83,000. But by 1928, those numbers had grown to 152 associations with a combined statewide membership of about 205,000—about one of every nine Kansans!

In the early 1920s, the newsletter of the Kansas Building and Loan League was called the “Thrift Bulletin.” The League’s constitution during this decade stated that movement’s goals were to spread home-ownership, “stimulate the accumulation savings,” and “encourage thrift education in schools and homes.” Condensing this mission even further, the Leavenworth Mutual Building, Loaning and Savings Association took out a newspaper ad announcing: “Our Aim—Thrift and Home Ownership.”

This rapidly expanding movement, according to a 1928 essay in the magazine *Jayhawk*, “seems to have taken firm root in the affections of Kansas people” due to the movement having clearly demonstrated its “social value in the

upholding of habits of thrift and home-ownership.”⁴¹ And let’s not forget the schools. Throughout this decade, public schools and public school educators vigorously promoted thrift and savings in Kansas. In 1920, for example, Miss Emma Hyde, a junior high public school teacher from Manhattan, Kansas, submitted a report to the National Society for the Study of Education summarizing her classroom experiences in “Teaching Thrift by a Thrift Bank.” She writes:

A Thrift Bank was organized and operated for the class by class officers, directors, and employers. Deposits of one cent up were taken. Deposit slip and pass book were made by each pupil, and the money kept in the school vault. Deposits were saved from picture shows, car fare and Hersheys.⁴²

In that same year of 1920, according to a U.S. Treasury official, in the public schools in Leavenworth, Kansas “children were graded in Thrift on the practical basis of economy in paper and other school materials, and in the care of books and clothing.”⁴³ By 1925, Joseph W. Johnson, the Kansas State Supervisor of Building and Loans (a state official), was publicly urging building and loan associations across the state to help fulfill their charter by partnering with teachers and PTAs to expand the teaching of thrift in Kansas public schools. Listing some of the advantages of such an initiative, Johnson writes:

As a rule, the pupils that accept seriously the idea of thrift and put it to work are the ones who make high grades and give a good account in deportment.⁴⁴

In 1920, the American Academy of Political and Social Science published a special volume of its *Annals* entitled “The New American Thrift.” The topic was explored from many angles by many scholars, and the volume includes an impressive essay on “Thrift in the School Curriculum.” The author?—W. H. Carothers, a professor of education at the Kansas State Normal School in Emporia.⁴⁵ Lesson 13 from an English textbook published in 1926 by the State of Kansas for use in Kansas elementary schools is entitled “A Class Talk About Thrift.”⁴⁶

What about the state’s for-profit financial services sector? During these years Kansas bankers, as well as Kansas Bank Commissioners, regularly participated in the movement for thrift. For example, in 1920, the Kansas Bankers Association were reporting on their most recent statewide meeting, at which the state Bank Commissioner, Walter F. Wilson, declared that in recent years, owing to

the requirements of the World War, Kansans had learned “some great lessons in savings.” Commissioner Wilson particularly stressed the importance of a partnership between state government and pro-savings organizations, such as savings banks. As he put it:

The habitual practice of thrift, and the strong impulse to better citizenship brought about by our savings education, constituted a great financial help to the Government during the past year. It is the result of thrift and patriotism, taught by our savings accounts, that has been the means of bringing forth large sums of money and placing it upon the alter of our country. What is needed is the most extensive cooperation between the public and the banks.⁴⁷

Kansas state legislators in the 1920s also joined this effort. In July of 1929, for example, the Kansas Legislature passed the Kansas Credit Union Law, intended to support the growth of credit unions in the state, and that same summer, charters were issued to the state’s first two credit unions. Credit unions are similar to building and loan associations—both are cooperative savings organizations in which the savers pool their resources in order to provide loans to one another for prudential purposes.

What state legislation in 1929 made possible, Kansas citizens soon made an on-the-ground, pro-savings reality. Following the passage of the Credit Union Law, credit unions spread rapidly in Kansas, beginning with the Kansas City Southern Pittsburgh Credit Union and the Topeka Post Office Credit Union, both founded in 1929. By 1934, for example, Kansas had 35 credit unions with a combined membership of nearly 7,000. Six years later, in 1940, those numbers had grown to 95 credit unions and more than 16,000 members. By 1950, Kansas had 142 credit unions and about 35,000 members. And by the end of that decade, Kansas had 280 credit unions with more than 100,000 members statewide.⁴⁸ A significant minority of Kansas credit unions during this period were led by and for farmers. Writing about these credit-union “farmer cooperatives” in 1953 in his book *We Kansas Farmers*, Ralph Snyder says:

Perhaps the greatest good that has been accomplished [by rural and farmer credit unions] has been keeping the small borrower out of the talons of the “Loan Shark.”⁴⁹

These examples could continue, but the point is clear. For much of our history, civil society and state governments in Kansas and elsewhere have played key roles in promoting thrift and in helping families of modest means to save.

Let's notice in particular the facilitating role of state government. States did not *require* individual citizens to save. Nor did they *mandate* or *direct* the pro-saving activities of civil society. But during most of our history as a nation, *state governments have recognized the importance of saving and have tried to support the average saver.*

As our look at the 1920s in Kansas suggests, U.S. states have frequently chartered mutual savings banks, building and loan associations, and credit unions in order to provide a safe and secure pathway for the small saver. School-sponsored thrift programs, designed and taught by Miss Emma Hyde and hundreds of others like her, taught generations of children to save and conserve. State-wide campaigns during the two world wars encouraged citizens to buy Thrift Stamps and U.S. Savings Bonds. These savings instruments matured in the post-war years, helping to provide the resources for families to buy houses, start businesses, and send kids to college.

Such government-led initiatives did more than simply help people save. They also created a culture of thrift that rewarded and reinforced prudent behavior: the ability to plan ahead, build a rainy day fund for unexpected emergencies, save for the major expenditures in the future, and build assets over time.

6. “Promoting Thrift Among Them”

KANSAS BEGAN CHARTERING CREDIT UNIONS in 1929. Twenty years later, more than 23,000 Kansans were members of 91 credit unions across the state with assets of nearly \$4m.⁵⁰

In his 1949 book, *A History of Cooperatives in Kansas*, Lloyd E. Wilson tells us:

“Credit unions are financial associations incorporated for the dual purpose of providing short-term credit and nominal rates of interest to their members and of promoting thrift among them.

... credit unions also provide valuable training in cooperation. Officers and committeemen are educated in leadership. Members receive education in cooperative principles and also in economic matters, especially in learning to handle their own financial affairs intelligently.

...The benefits of a credit union should be measured not by dividends returned but by the savings effected through the borrowers through low interest rates and through the self respect engendered through a feeling of self help and independence from the loan shark. In addition credit unions can serve their membership through indoctrination of savings habits and through instruction in the proper procedure in obtaining a small loan. One hears too frequently of people becoming snared by ‘loan sharks’ either wittingly through desperation or unwittingly through ignorance.”⁵¹

7. The Decline of Kansas Thrift Institutions

AS WE’VE SEEN, historically the Kansas institutional landscape was well dotted by organizations carrying names such as “Lawrence Savings Bank,” “Home Savings, Building and Loan Association,” “American Savings Association of Kansas,” and “Kansas League of Savings Institutions.” These organizations tried hard to reach ordinary Kansans with pro-savings messages and opportunities. As recently as the 1980s, for example, Kansas saving and loan associations were opening branch outlets at local K-Marts.⁵²

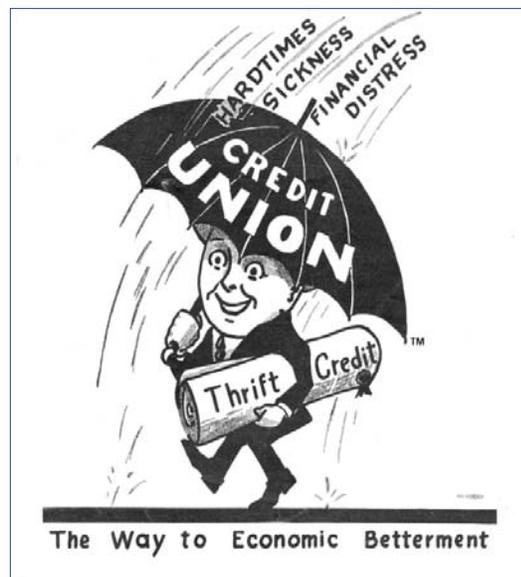
But in recent years, that institutional landscape in Kansas has dramatically changed. It's hard to find the word "savings" anymore on a building entrance way or on an advertising billboard. (On the other hand, words such as "Payday Loans," "Instant Cash," and "Pawn Shop" are far more visible now than they have ever been.)

This downward spiral in the number and influence of pro-saving institutions in Kansas civil society is particularly evident when we look at recent trends in what might be called "boots on the ground"—the actual number of locations in Kansas where one or more persons go to work each day primarily trying to help ordinary Kansans save their money and practice thrift.

Take mutual savings banks. For many generations, savings banks were the main institutions that accommodated working-class Kansans trying to build nest-eggs and save for a rainy day.⁵³ But today, thanks to mergers, closures, and de-mutualization (changing from a mutual to a commercial charter), savings banks as we once knew them are virtually extinct in Kansas.

Take credit unions. As we've seen, credit unions grew steadily in Kansas from 1929 through the 1950s. That growth trend peaked in the 1960s—by 1969, Kansas had 322 credit unions.⁵⁴ Today, Kansas has 103 credit unions, about the same number as in 1940.

Take building and loan associations, or what later came generally to be called savings and loans. Even before the nationwide S & L crisis of the 1980s and 1990s, these mutual savings associations were in decline. In Kansas, the golden age of the building and loan movement was probably the 1940s through the 1960s, an era in which nearly 100 these institutions each year served small savers and home-buyers in Kansas. Today, of course, they are only a shadow of their former presence.⁵⁵



This on-going decline in Kansas pro-savings institutions is evident even when we look at relatively short stretches of time. Take a look at the two tables below, which show the changes that took place in three types of institutions in Kansas civil society during the five-year period of 1997 through 2002.⁵⁶

Table 1: Kansas Thrift and Anti-Thrift Institutions in 1997			
TYPE	NUMBER	ANNUAL PAYROLL	EMPLOYEES
Commercial Banks	1,040	\$501m	17,000
Savings Institutions ⁵⁷	180	\$66m	2,000
Nondepository Credit Intermediaries (e.g., consumer lenders, pawn shops)	418	\$152m	4,000

Table 2: Kansas Thrift and Anti-Thrift Institutions in 2002			
TYPE	NUMBER	ANNUAL PAYROLL	EMPLOYEES
Commercial Banks	1,193	\$581m	17,400
Savings Institutions	153	N/A	N/A
Nondepository Credit Intermediaries (e.g., consumer lenders, pawn shops)	405	213	4,230

The trend is fairly clear. In Kansas, commercial banks are growing. Savings institutions are declining. And payday lenders, pawn shops and other nondeposit

credit intermediaries are increasing their payrolls and their number of employees. Recent studies suggest that these third-category “anti-thrift” institutions continue to spread rapidly. For example, one study finds that, between 2000 and 2005, the number of payday lenders more than doubled nationally, from about 10,000 to more than 20,000 locations.⁵⁸

The institutional landscape in Kansas, as in the nation, no longer favors, or even does much to recognize, the small saver. Quite the contrary. Today, the growth in Kansas and elsewhere is in institutions that facilitate dissavings, debts, and bets.

8. Two El Dorados

EL DORADO, KANSAS IS A CLASSICALLY attractive small American town. Located along the Walnut River in the beautiful Flint Hills of east-central Kansas—the largest area of unspoiled tallgrass prairie in North America—El Dorado was the boyhood home of William Allen White, who lived there with his family in a small frame house on Main Street in the 1870s, when El Dorado was still a frontier town. White’s father was a doctor who also served as mayor and his mother helped to found the town library. As a young man White began his newspaper career working for the El Dorado *Democrat* and, a bit later, for the El Dorado *Daily Republican*.

For years El Dorado was a “cattle town” (a center for selling and shipping cattle) and today it remains a hub of the cattle trade in the Flint Hills. In the decades following the great El Dorado oil strike of 1915—one Kansas newspaper later recommended as a slogan for the El Dorado field, “Big Oil in Kansas Started Here”—El Dorado also was a boom-town center of the Kansas oil and gas industry.⁵⁹ El Dorado is the home of the Kansas Oil Museum and today the Frontier Oil refinery remains a major employer in the area.

The current population of El Dorado is about 13,000, and the median household income is about \$33,000 (compared to about \$48,000 for the state as a whole).

El Dorado is a lovely place to visit. Think Normal Rockwell America, with many well-kept homes (more than a few displaying American flags) along tree-lined streets with old-style sidewalks in the central parts of the town, and with the newer shopping-mall and urban-sprawl areas located farther out, especially as you drive west along Central Avenue toward the entrance to the turnpike on Highway 35.

In front of the historic Butler County Courthouse at Central and Main, there is a “Liberty for All” walkway given to the town in 1950 by the El Dorado Boy Scouts. Not far away, on Central, is the impressive old El Dorado High School, now a middle school. Not far from the school you see the First Presbyterian Church and the First Baptist Church, as well as the sparkling new Susan B. Allen Hospital.

But if we look at El Dorado from the vantage point of encouraging thrift and saving, a dramatic pattern emerges. It’s as if there are two El Dorados. We can see this pattern very clearly by driving down North Main Street and then, near the Courthouse and the “Liberty for All” walkway, turning right on Central and driving east through the town, until we get to the turnpike entrance. These are the town’s two biggest and busiest streets. Regarding thrift and saving, what do we see today on those two streets?

In the older, downtown part of El Dorado, we find the Wichita Eagle Credit Union at 202 West Central, nearly across the street from the Courthouse, and at 1407 West Central we find the Bluestem Credit Union. As far as institutions whose purpose is to encourage thrift and saving, on these two main thoroughfares, that’s it!

But as we leave old El Dorado and head out to the newer areas of town, either up North Main Street or east along West Central toward the turnpike entrance, bright, new multi-color signs—they resemble fast-food signs—suddenly begin to appear in the shopping areas. The signs say:

“We Cash ALL Checks!”
“Bring Your Tax and RAL Checks”
“Bill Pay — Pay Your Bills Here”
“Payday Advance”
“Checks Cashed”

“Payday Loans”
“Pawn Shop”
“We Rent for Less – Always”
“Payday Advances Up to \$500”
“Loans Up to \$500”
“ALL Checks Cashed”
“Pay Day Loans/We Sold a Winning Lottery Ticket Here!”

These are the advertising slogans of El Dorado’s new debt culture, or what we might call the town’s anti-thrift culture. Unlike credit unions, mutual savings banks, savings and loans, and other pro-saving institutions—now apparently down to a mere two locations in El Dorado, both in the older part of town—these new and rapidly expanding businesses are all about encouraging the downward cycle of borrowing and debt, high interest rates, and paying more for getting it quick. The following two photographs illustrate the trend, and Table 3 documents it.

Old El Dorado



Bluestem Credit Union, 1407 West Central. Established 1935.

New El Dorado



Check Into Cash, 2348 West Central. Opened 2006.

Table 3: Thrifts and Anti-Thrifts on Central Avenue and Main Street in El Dorado, Kansas, 2010	
THRIFT INSTITUTIONS: ⁶⁰	ANTI-THRIFT INSTITUTIONS: ⁶¹
Bluestem Credit Union	Advance America Cash Advance
Wichita Eagle Credit Union	Check Into Cash
	Check 'n Go
	Citizens Credit Co./Payday Loans
	JKL Liquor/Payday Loans
	Mike's Rent to Own
	Payday Loans
	Pawn Shop
	Rent-A-Center
	Rent 1st

This anti-thrift trend is hardly unique to El Dorado. If you take time to look, you will see the same phenomenon—the same shifts in the physical and institutional landscape—in hundreds of American towns.

Each of us is responsible for his or her own behavior, of course, but our behavior is also influenced by the institutions that surround us and beckon to us. What happens to us as a society when our institutional environment shifts in this way? What happens to the way we think? To the way our children see the world?

Is the steady displacement of thrift institutions by anti-thrift institutions a good thing for El Dorado? For the nation?

9. Can Kansas Do It First?

FOR MUCH OF ITS HISTORY, Kansas was a seedbed for movements and ideas that frequently and soon enough spread to much or all of the rest of the country. In 1916 William E. Connelly of the Kansas State Historical Society declared that: “Kansas is the spot-light of America. Conditions made her so; she must ever remain so.”⁶²

William Allen White, born in Emporia, Kansas, in 1868 and for many years the nationally known editor of the *Emporia Gazette*, in 1922 asked “What is Kansas?” and answered his question in part in this way:

When anything is going to happen in this country, it happens first in Kansas. Abolition, Prohibition, Populism, the Bull Moose, the exit of the roller towel, the appearance of the bank guarantee, the blue sky law, the adjudication of industrial dispute as distinguished from the arbitration of industrial differences—these things came popping out of Kansas like bats out of hell. Sooner or later other states take up these things, and then Kansas goes on breeding other troubles. Why, no one seems to know.⁶³

White later adds: “Kansas is hardly a state. It is a kind of prophesy!”⁶⁴

Let’s briefly review Mr. White’s 1922 list of Kansas “firsts.”

Abolition

The struggles against slavery in “Bleeding Kansas” in the 1850s led to the admission of Kansas to the U.S. as a free state in January of 1861; Kansas was also the first U.S. state to ratify, in 1867, the fifteenth amendment, which constitutionally established the right of former slaves and their descendents to vote.

Prohibition

Prodded and inspired by reform organizations such as the the Ladies Temperance Society, the Kansas leaders of the Independent Order of Good Templars,

and the Kansas chapter of the Women's Christian Temperance Union, Kansas in 1880 became the first U.S. state to enact a constitutional prohibition of the sale of alcohol. (Kansas was also the last state to repeal prohibition; the repeal in Kansas was in 1949.)

Populism

Kansans were early and strong leaders and supporters of the radical Greenback, Farmers Alliance, and People's Party (or Populist) movements. Kansas farmers were particularly prominent in leading the Farmers Alliance into the People's Party, and in the 1890s Kansas elected two Populist governors—Lorenzo D. Lewelling of Wichita, who later became a socialist leader, and John W. Leedy of Coffey County.

Exit of the Roller Towel

Led by Dr. Samuel J. Crumbine of Dodge City, Kansas, a physician who served as Secretary of the Kansas State Board of Health from 1904 until 1924, Kansas in the early 20th century was a national trend-setter in matters of public health, especially regarding the prevention of communicable diseases. In 1906, Dr. Crumbine led a vigorous public health campaign in Kansas against houseflies—an effort which produced both a useful invention of his, the fly-swatter, as well as a memorable public health slogan, “Swat the Fly!” Another influential Crumbine slogan, which can still be seen on some bricks in Kansas, was “Don't Spit on the Sidewalk!” Dr. Crumbine in 1909 also launched an eventually successful campaign to abolish the common (shared) drinking cup; his better idea was the now-ubiquitous paper cup. And in 1907, as White indicates, Dr. Crumbine led a successful campaign in Kansas to abolish the exposed roller towel, which was being widely used at the time (and helping to spread disease) on railroad trains and in other public areas. Dr. Crumbine also advocated and helped to implement more effective state health and safety regulations in areas such as food and drugs (1907) and water and sewage (also 1907). These and other innovations in Kansas health policy during these years coincided with the decision of Karl Menninger and his brothers to launch an

innovative mental health clinic, the Menninger Clinic, in their home town of Topeka, Kansas, in 1925.

Bank Guarantee

William Macferran, who served for many years as president of the State Savings Bank of Topeka and as a leader of the Kansas state bankers association, was the driving force behind the Depositors Guaranty Bill, which was passed by the Kansas legislature and signed into law by the governor in 1909. This law, soon to be adopted by other U.S. states, established much stronger protections for depositors in cases of bank failure.

Blue Sky Law

Led by Joseph Norman Dolley, the State Banking Commissioner, Kansas in 1911 passed the nation's first "blue sky law," intended to protect the public from securities fraud. The law soon spread to other states. Commissioner Dolley, in fighting for the law, excoriated the "blue sky merchants" who sought to get rich quick by misleading citizens into buying cheap or worthless securities.

Adjudication of Industrial Disputes

In 1920, Kansas Governor Henry J. Allen (a friend of White's) pushed for, and won, the creation of a Kansas Court of Industrial Relations, which was intended to settle labor disputes fairly and prevent strikes. The Court was an innovative state policy, but in practice it proved to be largely ineffective, and was abolished by the Kansas state legislature in 1925.⁶⁵

There are other Kansas "firsts" as well. For example, Kansas was the first U.S. state to permit women to vote in school board elections (beginning in 1861) and in municipal elections (beginning in 1886). In 1887 Susanna M. Salter of Argonia, Kansas, a local leader of the Women's Christian Temperance Union,

become the first woman to be elected mayor of a U.S. town. The nation's first all-woman city council was elected in Oskaloosa, Kansas, in 1888. In 1912, Kansas became one of the only eight U.S. states to grant women full voting rights.

Other Kansas "firsts" include the first cowboy boot (fashioned in Abilene in 1868); the first Native American to serve in the U.S. Senate and as Vice-President (Charles Curtis of Topeka, who served in the U.S. Senate from 1907 to 1929 and as Vice-President from 1929 to 1933); the first U.S. town to be fully immunized against polio (Protection, Kansas, in 1957); and the first African American to serve as a general in the United States Marine Corps (Frank E. Petersen, Jr., of Topeka, appointed in 1979).

CAN KANSAS IN THE 2010s ADD ANOTHER "FIRST" TO ITS LIST? Let's frame the key questions more specifically:

- Could Kansas become the first state in in this century to return state government to its historic mission of supporting thrift? Or will state government in Kansas continue to ignore and undermine these goals?
- Can Kansas become an example to the nation of a civil society mobilized to support thrift and saving? Or will anti-thrift institutions continue to dominate Kansas?

Can Kansas once again lead?

PART TWO: A PROPOSAL

10. The Decline of Government Support for Savers

TODAY, IN KANSAS AND ELSEWHERE, state governments have simply walked away from efforts to help citizens save. Indeed, at the very time when many families are struggling to repair their shattered finances, many states, Kansas included, are actively undermining such efforts. Instead of launching campaigns for savings and thrift, Kansas and many other states are running campaigns for the lottery. Instead of providing opportunities to save for the future, states governments are aggressively encouraging people to spend their dollars on the lottery on and the fantasy of “instant riches.”

State-sponsored lotteries are hurting those who can least afford to wager money on very long odds. Every reliable and independent study of lottery players finds that persons who play most frequently, and those who spend a higher proportion of their household income on the lottery, come disproportionately from lower-income, less-well-educated, and minority populations.

For example, the widely cited 1999 *National Gambling Impact Study Commission Report* finds the following:

- In 1999, regular lottery players with annual household incomes of less than \$10,000 spent an average of \$597 per year on lottery tickets.
- Among regular players, spending was highest among African Americans, who spent \$998 per capita.
- High school dropouts who play the lottery spent about \$700 per capita in 1999 on lottery tickets.⁶⁶

An essay in the 2009 scholarly volume, *Gambling: Mapping the American Moral Landscape*, cites research by the economist Philip Cook. On the one hand, reports Cook: “Data about the heaviest lottery players is hard to come by, since ... lotteries have chosen to obfuscate because they see themselves as vulnerable on this issue politically.” On the other hand, Cook’s research clearly shows that “twenty percent of the heaviest lottery players make up 80 percent of the revenue.”⁶⁷

Fundamentally, state government in recent decades has switched from supporting thrift institutions to supporting and even sponsoring anti-thrift institutions.

11. Do Kansans Need to Save More? Do They Want To?

THERE IS A SAVINGS CRISIS IN KANSAS TODAY. And Kansans today *want* to save more.

To test these assumptions, in late 2010 Barbara Whitehead and I commissioned the survey research firm Knowledge Networks to carry out a *Survey of Kansas Savers*, in which we asked a representative sample of Kansas about their finances.

First, let’s consider the extent of *under-saving* in Kansas today. On this issue, our survey includes the following findings:

- Even among higher-income Kansans—those in households earning \$100,000 or more per year—a surprising *15 percent* have less than \$5,000 in total savings.
- Among middle-income Kansans—those in households earning from \$30,000 to \$99,999 per year—about *30 percent* have less than \$5,000 in total savings, and about *17 percent* have less than \$1,000 in total savings.
- Among Kansas households making under \$30,000 per year, about 58 percent have less than \$1,000 in total savings.

Next, let's consider the extent of non-saving in Kansas today. Perhaps the most troubling set of findings from our survey reveals that a significant number of Kansas households are saving nothing at all. The basic dimensions of the problem are presented in Table 4.

Table 4: Proportion of Non-Saving Kansas Households by Income Group, 2010		
TYPE OF HOUSEHOLD	USUALLY SPEND MORE THAN THEY EARN (%)	USUALLY SPEND WHAT THEY EARN (%)
Higher Income Households (\$100,000/higher)	3.3	6.1
Middle Income Households (from \$30,000 to \$99,999)	17.3	28.3
Lower Income Households (up to \$29,999)	21.4	45.6

Source: 2010 Survey of Kansas Savers

If we examine the situation of middle-income and lower-income Kansans as a whole—everyone in Kansas households earning less than \$100,000 per year—a similarly troubling picture emerges. Our survey finds that, within this broad, everyone-but-the-affluent group of Kansans:

- *About 40 percent report less than \$5,000 in total savings, and almost one-third report that they have less than \$1,000 in savings.*
- *About 34 percent live each month on the razor's edge of solvency, reporting that they usually *spend as much as they make*.*
- *And about 19 percent are steadily digging themselves into debt, reporting that they usually *spend more than they make*.*

What can we learn from these numbers? Here are arguably the two most important overall findings:

1. *Nearly one-third of middle-income Kansans today are non-savers.*
2. *Nearly half of lower-income Kansans today are non-savers.*

The result? With little or no savings, a great number of Kansas households are in a chronically precarious position. They are living on the border line of solvency. Something as simple as an unexpected car repair or a past due electric bill can push them over the financial edge.

“Kansas Saves” is for everyone, but *especially* for these Kansans, who probably stand the most to gain from renewing the savings habit and beginning to build (or rebuild) their nest-eggs.

Do Kansans Want to Save More?

The answer to this questions is clearly “yes.” When we asked Kansans in households earning less than \$100,000 per year to rank the importance to them personally of over 20 financial goals for 2011, *saving more*—building up a larger “rainy day” or emergency fund—was their single most important and frequently cited goal.

TYPE OF GOAL	“SOMEWHAT” OR “VERY” IMPORTANT GOAL
Build up a larger “rainy day” fund	75
Save for retirement	72
Spend less overall	70
Reduce credit card debt	50
Save for a vacation	49

Source: 2010 Survey of Kansas Savers

But if saving is so important today, why haven't Kansans saved more?

Perhaps the simplest answer is human frailty. And another and perhaps related reason is that many Kansans believe that it's harder to save today, compared to earlier times.

For example, in our survey, we asked Kansans, "Compared to your parents, is it easier or harder for you to save money?" Among Kansans in households earning less than \$100,000:

- 10 percent say that it's easier to save today.
- 33 percent say that it's about the same.
- 57 percent said it's harder to save today.

And surely a third reason for the current Kansas savings crisis is this one: *As we've seen, Kansans today are increasingly surrounded by anti-thrift institutions which invite and promote dissaving and debt.*

So maybe Kansans have a legitimate point about it being harder to save today, compared to their parent's generation. After all, their parents and grandparents typically had school savings programs to teach them thrift and almost certainly lived in the vicinity of buildings with signs in front saying things like "Savings Bank," "Home Savings," "Building and Loan Association," and "Credit Union." Today, by contrast, young Kansans are much more likely to live in the vicinity of buildings with colorful signs advertising "Kwik Cash" and "Cash Today!"

Yes, no one *forces* people to be thriftless, and each individual is ultimately responsible for his or her own decisions and behavior. But we are also inescapably social creatures. Our environment helps to shape and orient us. We are significantly influenced, for both good and ill, by those institutions that surround us every day, try to persuade us, and invite us with a smile to participate. And today, for many Kansans, that environment is increasingly and stridently anti-thrift.

Kansans themselves seem to recognize this fact. In our survey, we asked Kansans to tell us who or what helps them the most when it comes to improving their

financial situations. For Kansans in households earning less than \$100,000 per year, the five most frequently chosen answers, starting with the most popular, were:

1. Employer-sponsored savings plan
2. Banks
3. Financial advisors
4. Credit unions
5. Parents

Churches and other places of worship finished just outside the “top five.”

But we also wanted to know about the “bottom five.” Who or what do Kansans today view as the *least* helpful to them when it comes to their financial affairs? For Kansans in households earning less than \$100,000 per year, the answers, in ascending order of unhelpfulness, are presented in Table 6.

Table 6: The Five Least Helpful Financial Resources for Lower to Middle Income Kansans, 2010		
RANK	BUSINESS TYPE	PERCENT WHO VIEW IT AS “SOMEWHAT” OR “VERY” UNHELPFUL
5	Pawn shops	69
4	Rent-to-own stores	75
3	Check-cashing stores	78
2	Payday lenders	80
1	Auto title lenders	81

Source: 2010 Survey of Kansas Savers

Let's sum up:

- Kansans today are beginning to save again and, as they look to the future, want to save more.
- Most Kansans today view the new anti-thrifts as unhelpful.

In this context, doesn't it make sense, as a policy initiative, to help Kansans achieve their stated goal of saving more, by beginning to shift the Kansas institutional environment away from the currently dominant anti-thrifts and toward the encouragement of saving?

12. A Modest Proposal: Savings Tickets

IF YOU WALK INTO ANY OF ABOUT 1,800 CONVENIENCE STORES and retail outlets in Kansas today, you can buy a lottery ticket. If you buy one, and you're lucky, you can win a prize.

Now picture this: Walk into the same stores. Right there, alongside the traditional lottery tickets, you will see a new kind of ticket for sale. It's called a savings ticket. If you buy a savings ticket, two things will happen.

One: The money you spend on a savings ticket *remains your money*. It will be put in a savings account for you. After that, every time you buy a savings ticket, the same thing happens—every penny that you spend on a savings ticket will be added to your savings account.

Two: You will be eligible to win some valuable prizes. In fact, to encourage you to save, the longer each of your deposited dollars remains in your savings account, the *more likely* you are to win a prize.

In one way, buying a savings ticket will be like buying any lottery ticket. You'll be buying the chance to come away with some winnings. But in another way, buying a savings ticket will be completely different. You will always win. You

will never lose. In this way, every Kansan who wants to put a dollar or five dollars or ten dollars a week into savings will have a convenient opportunity to do so. *And* a chance to win some prizes.

Let's call the program "Kansas Saves." Each of the approximately 1,800 Kansas retail outlets which currently sells traditional lottery tickets would also sell lottery savings tickets. A citizen would buy a savings ticket in exactly the same way that he or she would buy any other lottery ticket.

A private-sector depository institution, such as a credit union, could house and administer all of the individual savings accounts created through Kansas Saves.

Technologically, the key to making this initiative work is the smart card. More precisely, the card is a new invention, courtesy of the Kansas Lottery and its partners at GTECH—it is a combined debit card and Kansas Saves customer loyalty card created and administered by a private-sector Kansas depository institution and co-sponsored by Kansas Saves. The card has four basic functions:

- It is a debit card; it can be used for all manner of purchases, just like any debit card. (For most small savers, debit cards are a safer and thriftier kind of "plastic" than credit cards.)
- When used for (or in conjunction with) the purchase of savings tickets, it transfers the funds directly and immediately into the saver's account at the point of purchase.
- The card also keeps a cumulative, comprehensive record of the card-holder's savings ticket purchases and savings account balances, thus establishing in real time (and in real time informing both the saver and the Lottery of) the saver's overall savings status and therefore the saver's opportunity and chances on any one day of winning prizes.
- Finally, the card can assist the card-holder in making and managing a personal budget, including the savings habit, and can give the cardholder access to other financial management tools and financial education.

The role of other participating organizations in "Kansas Saves" is to advertise and extend the initiative. Examples of eligible organizations would include

credit unions, cooperative, mutual savings, and commercial banks, and other federally and state regulated depository institutions. Participation is entirely voluntary. Reasons for private-sector organizations to participate in Kansas Saves might include a desire to help the community; a desire to serve currently under-served Kansans; and a desire for favorable PR and greater public recognition.

Non-depository institutions—such as civic groups, businesses, professional associations, fraternal and sorrorital societies, and community service organizations—may also choose on a voluntary basis to partner with Kansas Saves, thus leading in those communities to the creation of *pro-savings coalitions*. Such coalitions could increase the level of advertising for the initiative and in other ways extend the initiative's reach and penetration into the community. Such coalitions may be particularly advisable and valuable in those areas of the state, such as western Kansas, in which the population, as well as the organized entities of civil society, are geographically more widely dispersed.

It is essential for participating organizations to include a significant educational component. Kansas Saves is an initiative seeking to shift cultural values and behavioral norms. Accordingly, there must always be a pro-active desire to help the saver save; to help him or her become a *better* saver; and to teach and model the ethic of thrift. Affiliated savings organizations and pro-savings coalitions can help to achieve that goal.

Hundreds of Sponsors from Kansas civil society (and, when appropriate, agencies of Kansas and U.S. government) can participate in Kansas Saves. Their role is to donate prizes (especially larger-value prizes) and help to advertise the initiative.

Participation is strictly voluntary. Sponsors' possible reasons for participating are roughly similar to the above-listed reasons for savings organizations to participate. Here are possible examples of donated prizes:

- Store gift certificates
- New cars
- Savings bonds

- A “Personal Money Coach” for six months
- Certificates of Deposit
- Continuing education vouchers
- Vacation trips
- Tickets to sports and music events
- Autographed memorabilia
- A special ornament from the Kansas Christmas Tree in Washington, D.C.
- Frequent flier miles
- Special guided tours of notable Kansas locations
- Museum and library memberships

The initiative can particularly seek to obtain and give away prizes (such as savings bonds and educational vouchers) that themselves embody the values of saving and thrift.

At least initially, probably the best, easiest-to-implement game model for Kansas Saves is a raffle, based on the Kansas Lottery’s already existing Raffle, in which (in the case of the recent “Holiday Millionaire Raffle”) a total 150,000 raffle tickets were sold in the period from October 18 through December 30, with a December 31 drawing. This raffle structure lends itself readily to the projected exigencies of Kansas Saves.

In the longer run, as the program develops, special savings ticket games, including those involving scratch tickets, may also be introduced, with each game having a life span of about 7-12 months.

Without intensive and sustained marketing paid for with public dollars—supplemented by free advertising and advertising donated to the initiative by Sponsors and others—we believe that Kansas Saves will fail. This initiative aims to shift values and alter well-established patterns of behavior. These things won’t happen on their own, or simply by word of mouth, or just because they are good things to do. Intensive and creative use of advertising is absolutely essential for success.

KANSAS SAVES is an economic development program, aimed at growing the Kansas economy by encouraging saving and increasing the state's personal savings rate. Accordingly, the initiative's basic operating expenses—including administration, personnel, advertising, the negotiated sales fees payable to the lottery agents and GTECH, and possibly even the initiative's baseline or lower-value cash prizes—can come from the state revenue stream generated by the Kansas Lottery, which was launched in 1987 primarily to generate funds for Kansas economic development.

Is It Possible to Buy a Losing Ticket?

No. A fundamental principle of this program—not an ad slogan, not a metaphor, but a literal and program-guiding fact—is that “every ticket wins.” It is therefore not possible to buy a losing ticket—if you spend a dollar on a savings ticket, there is no chance of you “losing” even one penny of that dollar. Accordingly, savings tickets, notwithstanding the fact of cash and other prizes, are NOT EVER a form of gambling. This point bears repeating: *This program does not include any form of gambling.* Indeed, the ethic of the program—which is the ethic of thrift—is completely contrary to and apart from the ethic of gambling.

How is this Program Similar to Others?

There are several encouraging examples of savings programs that incorporate cash and other prizes. Two such examples are:

- The long-standing and very popular Premium Bond program in the United Kingdom; and
- The recently piloted “Save to Win” program operated by the Michigan Credit Union League.

How is this Program Unique?

There is no example anywhere of a state-sponsored lottery being re-purposed to encourage regular bettors to become regular savers.

This concept—using the authority of the state to re-purpose a government-sponsored lottery—is what makes this proposal unique.

Is this Program Compatible with the Lottery's Current Purposes?

No. Here is a rule of thumb that we view as centrally important:

Any pro-savings idea that a state lottery as currently purposed would favor is a bad idea.

We do not say this rhetorically—we offer it as a literal truth. There are five reasons for this conclusion:

1. First, the vendors' commissions for sales of saving tickets will come from general lottery revenues, but savings tickets do not contribute to those revenues—a fact that is overtly contrary to the financial model of the lottery as currently purposed.
2. Second, there is an implicitly anti-gambling idea at the heart of the concept of selling savings tickets (“don't gamble that money, save it”) which may contribute to lower sales of traditional lottery tickets.
3. Third, and more broadly, a government program that encourages people to do one thing (gamble, so that the state can reap an excise or sin tax) is simply not in the business of encouraging people to do a different thing (save some of their money)—especially when doing the different thing is both a financial drain on, and a philosophical challenge to, the founding purpose of the program. For these reasons, there is every likelihood that *any* idea purporting to promote savings that a state lottery as currently purposed would endorse or favor would, in fact, turn out to be an idea primarily

- intended, either directly or indirectly, to increase sales of traditional lottery tickets. After all, what *other* reason would a lottery as currently purposed have for supporting or accepting such an idea?
4. Fourth, the lottery as currently purposed *requires* intensive marketing and sales of losing tickets. Indeed, the core premise of any lottery—the essence of its financial model—is the sale of losing tickets. For, without the widespread sale of losing tickets, there can be no prizes and (more importantly from the state’s perspective) no revenue for the state. Here, then, is the principle: If an activity involves losing tickets, that activity involves gambling. Gambling is antithetical to saving. The two simply do not—cannot—go together.
 5. Finally, conversations with the Kansas Credit Union Association and others suggest that a number of otherwise eligible pro-savings institutions would refuse to link themselves to—would refuse to “co-brand” with—any initiative promoting gambling. Period. For example, credit unions in Kansas every day have to deal with problems stemming from addictive gambling, and that they as a movement have no wish to support the very thing that they in fact oppose. For this reason, the participation of credit unions, at least, in this initiative would almost certainly require an explicit re-purposing of the lottery to include the goal of turning bettors into savers, completely apart from any resort to gambling.

The mission of the lottery as currently purposed is to increase tax revenue by increasing gambling participation. The mission of savings tickets is to increase the number of dollars in each savers’ own account. The current lottery can serve the first mission, but not the second. The key to the success of Kansas Saves, then, is using public authority to re-purpose the lottery, which in turn depends decisively on political vision and leadership.

13. Can Regular Betterers Become Regular Savers?

WITH THE WICHITA-BASED FIRM OF RESEARCH PARTNERSHIP, my colleague Barbara Dafoe Whitehead and I conducted two focus groups in Wichita on August of 2010 to explore the views and behavior of Kansans who frequently play the lottery and to explore our “savings ticket” idea.⁶⁸

Enthusiasm for the savings ticket idea was high among focus group participants.

With a single exception, every one of these frequent lottery players found the idea “innovative,” “appealing,” “something I would definitely do.” Without prompting, they offered their own slogans for the marketing campaign: “Every ticket is a winner;” “You might win but you will never lose;” “Play and save;” “It’s a win/win;” “the dollar that never disappears.”

It is hard to convey the intensity of excitement about the savings ticket idea in writing. But it was palpable among the focus group participants in the room. People were captivated by the idea—and immediately jumped in with their comments and questions.

Several said that they liked the ease and convenience of buying a savings ticket at Quik Trip, Kwik Shop, Dillon’s, or other lottery retail outlets. They especially liked the prize feature as an incentive to save without any risk to losing savings. (The prizes did not have to be large, most agreed, but they had to be frequent.) And the “raffle” idea appealed, even though it did not involve gambling.

Participants did more than express enthusiasm for savings tickets. They saw it as a way to change their own behavior. For example, one participant said she would be motivated to set a “rule for myself to avoid withdrawals,” even though we said that the savings could be withdrawn at any time for any reason. Others mentioned that the tickets would help them establish a regular savings habit. Still others thought it would set a good example for kids—the game would teach them how to save. Though no one used these words, the

comments suggest that a savings ticket campaign might bring about a cultural shift in Kansans' thinking and behavior about the importance of saving.

Most thought that the savings ticket idea would have to be heavily promoted through a marketing campaign in order to be successful. It's "something different," one participant observed, and it will have to be explained.

As the moderator, I explained that a first-time savings ticket purchaser would have to open an account with a depository savings institution like a community bank or credit union. Barbara and I were concerned that some might view this requirement as a disincentive. However, no one raised this as a problem. Moreover, five of the 18 participants volunteered that they were *already* members of credit unions, but kept only \$5 in their savings accounts, which is the minimum balance to keep the accounts open. A few more had savings accounts, but were not making regular deposits. And at least one or two others made regular deposits in savings. This finding suggests that these frequent lottery players are not "unbanked" but in most cases are "under-saving."

Based on these findings, we suspect that prospective buyers of savings tickets might well include non-lottery players as well as regular players, and also infrequent lottery players who may already have savings accounts in credit unions or commercial banks, but are not making regular deposits. These Kansans might welcome the convenience of buying savings tickets at Quik Stop when they go to get gas or coffee.

Finally, we conclude that frequent lottery players are not uninterested in or resistant to saving. They want to save, but find it difficult to do. Yet they do exhibit savings behavior. Some keep "savings" jars at home and deposit small change in the jars on a regular basis. Others maintain savings accounts but fail to make regular deposits. Therefore, with the proper incentives, this population of small dollar bettors could be converted, we believe, into small dollar savers.

The two main incentives that would encourage this change in behavior, according to our participants, are easy and convenient ways to incorporate savings into their daily routines; and chances to win a prize each time they deposit dollars into their accounts.

I said, “We’re going through some tough times. How has the Great Recession affected you?”

Everyone had experienced the impact of the Great Recession. Dustin, age 28, lost his Farm Bureau job. Kelly, age 40, a single mother, had to settle for a part-time job driving a school bus after she lost her full-time taxi cab job. Bill, 48, was laid off from Cessna but has since been called back.

A postal worker, Kari, age 51, a single mother with 5 children at home, had been living paycheck-to-paycheck before the Great Recession. She was feeling even more financial strain in her life today.

Those with full-time jobs were grateful to have employment but were fearful about losing their jobs. To keep a job, Chaquilla, age 36, an ATT customer service rep, was working more hours; Danny, age 57, was postponing retirement after his 401 (K) was cut in half; Raymond, age 46, a self-employed contractor, had lost half of his income due to a drop-off in business and is just getting by.

All in all, participants said they had become more conservative about their spending. Most were taking steps to cut back on spending and pay down credit card debt.

I said, “Let’s talk about the lottery. Where do you play? What is your routine? What do you like about the lottery?”

These frequent lottery players are typically not “impulse” buyers. A few buy tickets when they “feel lucky” or have some extra money, but most have an established weekly routine, definite game favorites, and regular stores. A majority play at least twice weekly, and they incorporate their lottery purchases into stops on the way to work or after work for groceries, gas, or cigarette purchases. One participant was such a regular customer, he told us, that the Quick Stop he frequents has his “cigarettes and Crossword game” waiting for him every day. Among these players, the most popular game is Powerball, followed by Instant Ticket games and Kansas Cash.

They cite a number of reasons why they enjoy the lottery:

- Dreaming about what you could do if you won a big jackpot, such as paying off your bills, helping your kids, or having a better lifestyle.
- Anticipating the possibility of winning—“that big one is coming down the road.”
- Having something interactive to do and prolonging the suspense. (Cross-words, the instant ticket that takes time to scratch off all the numbers, is popular among some of these players, for precisely that reason.)
- Starting a business; being your own boss.
- Changing your lifestyle: “doing big things.”
- Getting addicted to playing; that “high” is nice.
- Giving tickets as gifts.
- Getting the thrill of gambling with small dollar amounts.
- Feeling hopeful; “sleeping better at night.”

Interestingly, no one mentioned playing the lottery as a way to help the state generate revenues for good things, as players in other states often do. When asked about the purpose of the Kansas lottery, most laughed derisively. They dismissed the idea that lottery revenues contribute to economic development. This was an unusually cynical response among the otherwise good-natured participants.

Later on, in the discussion of savings, however, most responded positively to the idea that boosting Kansans’ household savings might be considered as one form of economic development.

I said, “What are your thoughts on savings? I’m interested in understanding how you think about the topic of savings.”

Several participants said that saving was hard to do. “Something always comes up” to deplete savings; “It’s not easy when you live paycheck to paycheck;” “Too many things you need to buy;” “It used to be easier.” Kari, who is struggling, complains that banks charge high fees and don’t want her business.

However, participants do engage in several forms of savings. Some have a “savings jar” at home, and these savings-jar savers try to pay for their regular purchases with bills in order to obtain change for their savings jars. When the jar is full, they cash it in. Joyce, age 43, an administrative assistant, saves in this way for things she wants to buy, and pays for her purchases in cash. Another participant used this method a while back to save up money for a vacation. Others have credit union savings or bank savings accounts, though, as noted above, they might have very little in the accounts.

Two participants are exemplary savers. Danny, age 57, has been saving at least 15 percent of his income for nearly thirty years. He put his first raise entirely into savings, and he continues to save. (A college graduate and engineer, he was one of the highest-earning participants in the focus group.) Matthew, age 35, an assistant manager of mail services at Wichita State University, uses an automatic transfer from his paycheck to deposit money regularly in his savings account. And Chastity, age 32, a single mother and former bartender, has begun to pay careful attention to weekly budgeting and savings since she began working at a bank.

Whatever their own personal situation, everyone in the focus groups said that saving is a good thing to do, even at a time when interest rates remain extremely low.

I said, “Let me tell you about a concept my colleagues and I have been working on and get your reaction. The idea is for a savings ticket that you could buy at any one of the 1,800 lottery retail outlets in Kansas. Each ticket you buy would give you a chance to win a prize.”

This concept generated high enthusiasm and interest among the participants in the two focus groups. Participants began peppering the moderator with questions and suggestions. Clearly, people wanted to help refine the concept.

For example, they had recommendations for the prize structure: They liked the idea of regular cash or gift certificate prizes more than they liked the idea of prizes of donated goods from participating merchants. And given the example of a large prize, such as a car, they wanted to know if that car could be converted into cash.

They especially liked the idea of buying tickets at lottery retail outlets where they make other regular purchases. Convenience is a high value for them.

Likewise, they place a high value on the practice of saving itself. For example, Chaquilla saw the savings ticket option as a way to help her break her “losing” lottery habit, which often made her feel guilty. Others felt that they would feel good about themselves if they started saving and had a rainy day fund. Robert, age 29, a food service worker who had been relatively quiet during the first part of the discussion, came alive during this part of the discussion and spontaneously offered several slogans for the savings ticket campaign, including: “You may win but you will never lose.”

Fred, age 41, a driver, was the sole dissenter among the two groups of frequent players. He thought that the savings ticket idea was a good idea in general, but not for him—at least, not for now. He explained that he wants to change his entire lifestyle, and that, as he sees it, a big Powerball win is the way to get there.

14. Epigrams

We need to create a new generation of savers in Kansas.

In Kansas Saves, there is no such thing as a losing ticket. Every ticket wins.

We've spent nearly a generation as a government and a society digging ourselves into debt. Starting now, I want Kansas to go in a different direction.

My economic development strategy for Kansas starts with you. It starts with helping you to build a nest-egg for the future. Our Kansas Saves initiative helps the state by building up our savings, which is a key to economic growth. And it helps you by making you wealthier.

Economic development can mean trying to sweet-talk businesses into coming to Kansas. Or it can mean helping *you* to develop economically by building up your savings and assets. Other approaches can be useful, but my favorite is the second, because it focuses on *you*—on *your* and your family's economic development. That's why I'm so excited about Kansas Saves.

The core idea is to repurpose the lottery to allow regular bettors and convenience shoppers the opportunity to become regular savers. No other state has ever done this. I want us to be the first. We'll be the pioneers. If we can succeed, I think others may follow.

Thrift is part of the Kansas spirit. It's a part of our pioneer heritage of independence and self-help. It's something that our parents and grandparents taught us. I want our state government to start supporting and encouraging that spirit.

I want to put government on the side of savers.

Kansas Saves is not just a program. It's a campaign. It's a way of thinking.

There is a role for everyone as we make this shift toward thrift.

We need to replace debt thinking with thrift thinking. Kansas Saves is a way to do that.

Saving means independence. Saving means prosperity.

15. Continuing Wilbur's Big Idea

TO SUCCEED, KANSAS SAVES must be more than a government program—it must also, and primarily, be a statewide civic mobilization, with many and diverse organizations and sectors of civil society uniting around the goal of recruiting and supporting a new generation of savers in Kansas.

But there must also be more. Kansas Saves, as statewide campaign built around the concept of lottery savings tickets, must itself be a part of something larger. To succeed, therefore, Kansas Saves needs ideally to be one part of a much broader and ultimately deeper “Shift to Thrift” in Kansas public opinion.

For this reason, Kansas might consider resuming the statewide custom each January 17-23 of recognizing and celebrating “Thrift Week.” From 1916 to to 1966, Thrift Week was a significant Kansas and national event, particularly in its focus on teaching millions of young people—through school savings programs, thrift parades, advertising campaigns, and other initiatives—the habit of saving and the virtue of thrift, which essentially (the word comes from “thrive”) means the ethic of careful stewardship and wise use.

Toward this end, the Governor could proclaim January 17-23 to be “Thrift Week” in Kansas.

The Governor could also issue his Proclamation at the opening of a public exhibition, “Kansas Thrift,” curated, paid for, and donated to the state of Kansas by IAV (the organization which I lead), working with partner organizations ideally including the Kansas Historical Society; the Kansas Credit Union Association; the Center for Kansas Studies at Washburn University in Topeka; Kansas, Inc.; the YMCA; and the White Cloud Civic Association. Much of the work for this exhibition, with its concrete focus on Kansas history and civic culture, has already been done.

With Thrift Week, Kansas Saves, built around the idea of saving tickets, has a chance to become more than an initiative to recruit and support new savers—it also can benefit from, and contribute to, a significant and larger “Shift to Thrift” in Kansas public opinion.

Endnotes

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4. W. M. Danner, "When I Told a Little Kansas Town of the Lepers," *Sunday School Times* (May 16, 1914), 311.
5. Ibid.
6. Ibid.
7. W. M. Danner, "The Bright Side of the Work of the Protestant Church for the Lepers of the World," in *Winona Echoes: Notable Addresses Delivered at the Twenty-Fifth Annual Bible Conference* (Winona Lake, IN: Winona Publishing Society, August 1919), 49.

8. "A Million in His Idea," *Kansas City Times*, May 12, 1938. See also, "Home News," *The Sabbath Recorder* 92, no. 6 (February 6, 1922), 187; "Sacrifice Thrilled Thousands," *Topeka Capital*, April 24, 1938; and "Kansans commemorate youth who raised a pig, made history," *Kansas City Times*, May 30, 1988.
9. "The Money-Box in History and in Ethnography," *World Thrift* no. 12 (Milan: International Thrift Institute, 1928); and James Nasmyth, "My School-days," in Samuel Smiles (ed.), *James Nasmyth: Autobiography* (London: John Murray, 1897; first published 1883), 83-84. See also Morton L. Levy, "Grandfather's Piggy Bank," *Relics* 3, no. 6 (April 1970), 4; Carole Rogers, *Penny Banks: A History and a Handbook* (New York: E. P. Dutton, 1977), 2, 5-6, 41; *Collectors Encyclopedia Toy-Banks* (Gas City, IN: L-W Book Sales, 2006), 62; Earnest and Ida Long and Jane Pitman, *Dictionary of Still Banks* (Mokelumme Hill, CA: Long's America, 1980; and Don Duer, *A Penny Saved: Still and Mechanical Banks* (Atglen, PA: Schiffer Publishing, 1993).
10. On National Thrift Week and its origins and context, see E. A. Hungerford, "In Franklin's Footsteps," *Association Men* (January 1924), 210-211, 234; Nolan Rice Best, *Two Y Men* (New York: Association Press, 1925), 92-93; and *Tenth Anniversary Report of the National Thrift Movement* (New York: National Thrift Committee of the Young Men's Christian Association, 1927). See also David Blankenhorn, *Thrift: A Cyclopedic* (West Conshohocken, PA: Templeton Foundation Press, 2008), 250-259; and Andrew L. Yarrow, *Thrift: The History of an American Cultural Movement* (Amherst: University of Massachusetts Press, 2014), 80-95.
11. See Blankenhorn, *Thrift*, 200, 306-309.
12. A small site on ranch in Osborne Country, Kansas, is the geodetic center of the United States and also of North America (that is, it's the official central point used in making government surveys). Nearby Lebanon, Kansas, in Smith County, is the geographical center of the continental U.S.
13. "Starting From Paumanok," in Walt Whitman, *Leaves of Grass* (New York: Aventine Press, 1931), 16.
14. Craig Miner, *West of Wichita: Settling the High Plains of Kansas, 1865-1890* (Lawrence: University Press of Kansas, 1986), 11.
15. Paul M. Angle (ed.), *Pioneers: Narratives of Noah Harris Letts and Thomas Allen Banting* (Chicago: Lakeside Press, 1972), 157.
16. Eli Thayer, "Suicide of Slavery," a speech delivered to the U.S. House of Representatives on March 25, 1858, as reprinted in Thayer, *A History of the Kansas Crusade* (New York: Harper & Brothers, 1889), 270. John James Ingalls, "Catfish Aristocracy," in *A Collection of the Writings of John James Ingalls* (Kansas City, MO: Hudson Kimberly Publishing Co., 1902), 127.

The Kansas historian William E. Connelley calls Ingalls "the ideal Kansan" who had "the thrift of a born New Englander" (pps. 63, 66). An early, famous expressions of this theme is John Greenleaf Whittier's 1854 poem, "The Song of the Kansas Emigrant": "We'll tread the prairies as of old/ Our fathers sailed the sea;/ And make the West as they the East/ The homestead of the free." The Kansas historian Everett Rich, speaking of the early struggles to settle eastern Kansas, writes: "This contest [between North and South, over slavery] populated the eastern third of the state;

- and in the end New England Puritanism won, whether the settlers came directly from New England or states farther west.” See Everett Rich (ed.), *The Heritage of Kansas* (Lawrence: University of Kansas Press, 1960), 73. See also Shalor Winchell Edridge, “Recollections of Early Days in Kansas,” *Publications of the Kansas Historical Society, Volume II* (Topeka: Kansas State Printing Plant, 1920).
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 19. Ruede, *Sod-House Day*, 215-216, 164-165.
 20. Ruede, *Sod-House Day*, 199.
 21. Ruede, *Sod-House Day*, 13.
 22. Dwight D. Eisenhower, *At Ease: Stories I Tell to Friends* (Garden City, NY: Doubleday & Company, Inc., 1967), 80.
 23. William Allen White, *Emporia and New York* (New York: Phillips Publishing Company, 1906), 15, 22.
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 25. “Compulsory Thrift in Kansas,” *The Independent*, March 31, 1923, p. 218. Charles Moreau Hager, “‘Save 10 Per Cent!’ Says Brown,” *The Rotarian* 31, no. 1 (July 1927), 18-19, 50. See also Hager, “Every Employe an Investor,” *Business* 3, no. 10 (July 1922): 25; and “Kansas Companies’ Compulsory Thrift Rule Works Advantageously for Employees,” *Christian Science Monitor*, March 14, 1929.
 26. Elbert Hubbard, *Leavenworth Times*, 1905, as cited in Lesley Poling-Kempes, *The Harvey Girls: Women Who Opened the West* (New York: Paragon House, 1989), 40. See also Charles Sumner

- Gleed, "The Rehabilitation of the Sante Fe Railroad System," *Collections of the Kansas State Historical Society, 1913-1914*, Vol. 13 (Topeka: Kansas State Printing Plant, 1915), 461-462, 467.
- Richard A. Van Orman, *A Room for the Night* (New York: Bonanza Books, 1966), 118-123.
- William Patrick Armstrong, *Fred Harvey: Creator of Western Hospitality* (Bellemont, AZ: Canyonland Publications, 2000).
27. *Journal of the Thirty-Eighth Annual Convention Department of Kansas Women's Relief Corps* (Topeka: Kansas State Printing Plant, 1922), 21, 45-46, 161; *Journal of the Thirty-Ninth Annual Convention Department of Kansas Women's Relief Corps* (Topeka: Kansas State Printing Plant, 1924), 19.
 28. "National Thrift Week," *Bulletin of the Kansas Building and Loan League*, December 1925, p. 532.
 29. *Topeka Daily Capitol*, January 10, 1926, 1.
 30. *Topeka Daily State Journal*, January 20, 1926, 10.
 31. *Topeka Daily Capitol*, January 17, 1926, 11C.
 32. *Topeka Daily State Journal*, January 18, 1926, 10.
 33. *Topeka Daily Capitol*, January 17, 1926, 6C.
 34. *Topeka Daily Capitol*, January 18, 1926, 2.
 35. Thrift Week Jan. 17 to 23," *Topeka Daily State Journal*, January 18, 1926, 5.
 36. "Thrift Message in Church," *Topeka Daily State Journal*, January 15, 1926, 14.
 37. *Topeka Daily State Journal*, January 16, 19, and 20, 1926.
 38. "Indorse Thrift Week," *Topeka Daily Capitol*, January 18, 1926, 3. "Co-operation in Thrift Week Program Urged," *Topeka Daily Capitol*, January 17, 1926, 6C.
 39. "Paulen Lauds Thrift Week," *Topeka Daily Capitol*, January 18, 1926, 2.
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 41. William A. Irwin, "The Building and Loan Movement in Kansas," *Jayhawk* 1, no. 1 (October 1928): 21-23.
 42. Guy Montrose Whipple (ed.), *The Twentieth Yearbook of the National Society for the Study of Education*, Part 1 (Bloomington, IN: Public School Publishing Company, 1921), 173.
 43. William Mather Lewis, "New Life in Dry Bones," *Educational Foundations* 32, no. 1 (September 1920), 47.

44. Letter of October 5, 1925 from Joseph W. Johnson to John L. Hersh, the Secretary of the Kansas State League of Building and Loan Associations, reproduced in *American Building Association News* 45, no.11 (November 1925), iv (supplement in the back of the publication).
45. W. H. Carothers, "Thrift in the School Curriculum," in *The Annals* 87 (Philadelphia: The American Academy of Political and Social Science, January 1920). The Kansas State Normal School, established by the Legislature in 1863 for the purpose of training teachers, was later called the Kansas State Teachers College and is now Emporia State University.
46. *Our English, Book Two* (Topeka: State of Kansas, 1926), 15.
- A Kansas public school textbook from 1938 also contains a section on "Practicing Thrift in School." See J. C. Tressler and Marguerite B. Shelmadine, *Elementary English in Action*, Book III (Topeka: State of Kansas, 1938), 342-344.
47. *Proceedings of the Thirty-Second Annual Convention of the Kansas Bankers Association* (Topeka, KS: H. M. Ives & Sons, 1919), 16-17.
- From the beginning, Kansas supported savings banks. In 1859, the Kansas territorial Legislature passed an act authorizing the establishment of savings banks, and the state's first savings institution, the Lawrence Savings Bank, began operations that same year. See William E. Connelley, *History of Kansas*, Vol. II (Chicago: American Historical Society, 1928).
48. *In Dedication* (Wichita: Kansas Credit Union League, April 1958); and *2009 Annual Report* (Wichita: Kansas Credit Union Association, 2010).
49. Ralph Snyder, *We Kansas Farmers* (Topeka: Kansas Cooperative Council, 1953), 100.
50. Lloyd E. Wilson, *A History of Cooperatives in Kansas* (Topeka: Kansas Cooperative Council, 1949), 127.
51. Wilson, *A History of Cooperatives in Kansas*, 119, 139, 142.
52. "S & L to open outlets at K mart stores," *Hutchinson News*, July 4, 1987.
53. For example, one study suggests that, by 1900, working class Kansas families were saving around 8 percent of their total income, and that about 38 percent of these savers were using savings banks. See John A. James, Michael G. Palumbo, and Mark Thomas, "Consumption Smoothing among Working-Class American Families before Social Insurance" (Washington, D.C.: Federal Reserve Board, May 1999).
54. *Kansas Statistical Abstract 1980*, p. 126.
55. "Savings and Loan Associations in Kansas, 1940-1991," *Kansas Statistical Abstract 1990-1991*, p. 226.
56. These data are from the *Kansas Statistical Abstract 2001* (p. 61) and the *Kansas Statistical Abstract 2008* (p. 86). The *Kansas Statistical Abstract 2008* is (as of this writing) the latest edition available.

57. In both the 1997 and 2002 data, “savings institutions” do not include credit unions.
58. Christopher Lewis Peterson, “Usury Law, Payday Loans and Statutory Sleight of Hand: An Empirical Analysis of American Credit Prices Limits,” *Minnesota Law Review* 92, no. 4 (April 2008): 14.
59. H. Craig Miner, *The Fire in the Rock: A History of the Oil and Gas Industry in Kansas 1855-1976* (North Newton, KS: Kansas Independent Oil and Gas Association, 1976), 64.
60. A **thrift institution** is a depository institution—such as a savings bank, a savings and loan, or a credit union—whose core mission is to promote thrift and encourage savings.
61. An **anti-thrift institution** is a non-depository credit intermediary—such as a pawn shop, a rent-to-own store, or a payday lender or other provider of high-interest consumer loans—whose core mission is to gain profit through the promotion of dissaving and the expansion of debt.
62. William E. Connelley, “Preface,” in Connelley (ed.), *History of Kansas Newspapers* (Topeka: Kansas State Printing Plant, 1916), 6.
63. “Two Famous Questions,” *The Emporia Gazette*, April 25, 1922, as reprinted in Helen O. Mahin (ed.), *The Editor and His People: Editorials by William Allen White* (New York: The Macmillan Company, 1924), 174. See the following page (“Kansas Up Close: ‘... it happens first in Kansas’”) for more details on Mr. White’s most interesting list.
64. “Why We Never Die,” August 25, 1922, in *The Editor and His People*, 175.
65. On this topic see White’s editorial, “Some Sense in This,” *Emporia Gazette*, June 3, 1921. White also walks us through this list Kansas firsts again, with more detail and great verve, in “Kansas: A Puritan Survival,” *The Nation*, April 19, 1922. See also Charles Hill, “Progressive Legislation in Kansas,” address of 1910, in *Collections of the Kansas State Historical Society, 1911-1912* (Topeka: State Printing Office, 1912), 69-77.
66. Charles T. Clotfelter, Philip J. Cook, Julie A. Edell, and Marian Moore, “State Lotteries At the Turn of the Century,” in the Report of the National Gambling Impact Study Commission of 1999 (see: <http://govinfo.library.unt.edu/ngisc/reports/lotfinal.pdf>). See also John Guryan and Melissa S. Kearney, *Lucky Stores, Gambling and Addiction: Empirical Evidence from State Lottery Sales*, Working Paper (Cambridge, MA: National Bureau of Economic Research, 2005).
67. Alan Wolfe and Eric C. Owens (eds.), *Gambling: Mapping the American Moral Landscape* (Waco, TX: Baylor University Press, 2009).
68. Here are the main characteristics of the Kansans we interviewed:
- 10 males; 8 females.
 - 3 Latinos; 3 African-Americans; 12 Whites.
 - All but one are employed, either full or part-time (Dustin, age 28, a Farm Bureau employee, announced that he had been fired in a down-sizing move the very day of the focus group).
 - Half report household incomes of \$34,999 or less.

- Half report household incomes of \$35,000 and above.
- Most participants play the lottery two or more times a week, with the remaining participants playing daily or once weekly.
- Median weekly amount spent by participants on lottery tickets: \$20.
- How participants report using their winnings: 8 spend winnings; 2 save; and 8 roll over any winnings into another game.
- Getting ahead/behind: 5 participants say their lottery play is getting them ahead; 13 say their lottery play is getting them behind.

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In so many ways, Kansas is a remarkable and even astonishing place, and I hope that this essay conveys some of my deep gratitude for having gotten to know the state a bit in recent years.

To the best of my knowledge, the idea of repurposing a U.S. state lottery to allow regular bettors and convenience shoppers the opportunity to become regular savers was first proposed in writing by the Commission on Thrift in its report, *For a New Thrift: Confronting the Debt Culture*, published in 2008 by IAV and six partner organizations.

About IAV

Founded in 1988, IAV's mission is to study and strengthen civil society.

Almost all think tanks focus either on the activity of government or the needs of individuals. IAV is distinctive in that we focus on civil society—those relationships and associations that exist in between the government and the individual. While often overlooked by both think tanks and policy makers, civil society is a big thing. From families to Little League to church socials to community service projects, the relationships and institutions of civil society take up most of our time and fill up most of our lives. This sphere of society is a primary incubator of our cultural values.

Just as our topic is distinctive, so too is the way we approach our topic. Put simply, we aim to end the culture wars. Ending the culture wars does not mean putting an end to disagreements. Nor does it, or should it, mean splitting every issue down the middle. But it does mean putting an end to the paradigm of polarization that today so completely dominates, and so harmfully distorts, our entire public conversation.

That's why we never call ourselves "liberal" or "conservative." Why we focus so relentlessly on scholarly excellence aimed at reframing core issues. Why we insist on being interdisciplinary, bringing together scholars from across the human and natural sciences. Why we so often form diverse groups of scholars who work together over time, aiming for a fresh approach. Why we give such high priority to conversation and engagement. And why our signature product is the jointly authored public appeal or report.

About David Blankenhorn

David Blankenhorn is founder and president of IAV. He is the author of *Fatherless America* (1995), *The Future of Marriage* (2007), *Thrift: A Cyclopedia* (2008), and *New York's Promise* (2013). He is also the co-editor of nine books, the most recent of which is *American Thrift: A Reader* (2013).

A 2007 profile in *USA Today* describes him as making “a career of thinking about big issues” and describes the Institute for American Values as “a catalyst for analysis and debate among those with differing views.” A 2012 profile in the *Deseret News* says: “A soft-hearted liberal raised in Mississippi and educated at Harvard, he started his career as a civil rights organizer and has since carved out a unique career cutting across ideological lines. He is one of America’s most important liberal thinkers concerned about family issues.” Blankenhorn was born in 1955. He lives in New York City.

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