Amish Enterprise

From Plows to Profits

Donald B. Kraybill • Steven M. Nolt
said, "The huge wealth created by Amish businesses in recent years is simply staggering."

What are the sources of success? The commercial flowering of Amish enterprise is rooted in both external and internal socioeconomic factors. External factors that enhance the vitality of these enterprises include a strong regional economy, positive public perceptions of Amish products, a sizable tourist trade, certain payroll exemptions, and cooperative support from public officials at the state and county levels. Business ventures are also bolstered by the resources of their ethnic culture: a rural heritage of entrepreneurial values, a strong work ethic, religious values of austerity and simplicity, cultural taboos on higher education and on certain forms of technology, extensive involvement of family members, small-scale operations, attention to artisanship and quality, and an informal but effective system of apprenticeship.

**External Sources of Success**

The Amish settlement in Lancaster County is situated in one of the more productive regional economies of the United States. The county’s economy is both diverse and stable. Business leaders point to the trio of agriculture, industry, and tourism as a three-fold guarantee of sustainable growth. Additionally, the county boasts low unemployment figures as well as a sterling reputation for work. A reasonable cost of living and a tradition of amiable labor relations make Lancaster a prime location for many companies.

Demographics also play an important role in the region’s economic health. Some sixty million people live within a six-hour drive of Lancaster. Indeed, according to one estimate, 40 percent of the U.S. population and half of the country’s personal buying power live within 500 miles of Lancaster. With large and ready markets close at hand, transportation costs shrink. The close proximity of so many people turns Lancaster County into a tourist haven for East Coast urbanites searching for rest and a touch of Amish culture. Visitors bring vacation dollars to fuel the economy as well as a penchant for take-home crafts.

Amish businesses benefit from the mass markets that lie within easy reach of Lancaster County. Firms selling agricultural goods and equipment are in the midst of the eastern agricultural region. When hiring outside their ethnic community, Amish employers can tap a solid pool of labor. The annual visits of millions of tourists provide ready markets for outlets selling Amish products. Travelers in the area sometimes order Amish-produced kitchen cabinets, furniture, or antique carriages before returning home. All of these contextual factors undergird the vitality of Amish business and, in part, bolster its success.
Amish entrepreneurs recognize the importance of the surrounding economy. Said one shop owner, “Lancaster is very aggressive business-wise and farm-wise. And I like that about this area. People get out there and hustle. They work, and they look for the next customer.” An Amish building contractor noted the competitive atmosphere of the regional economy as well. “Competition keeps the sloppy work out,” he remarked, suggesting that Amish firms have to be efficient in order to survive.

Occasionally the tight competition hinders those who strive to operate low-profile, small-scale shops. The aggressive nature of Lancaster’s commercial atmosphere wins approval from most Amish entrepreneurs, but some consider it problematic. “Sometimes I see it as a bad thing,” one owner cautioned. “It can get too aggressive that way. It can be too competitive, and it’s hard to run a business in an Amish way—in a Christian way—when it gets too tight. You can’t let it get out of control.” Yet most believe that Lancaster’s favorable business climate has fertilized their productivity.

Some Amish entrepreneurs realize that their own establishments might

*Public demand for Amish products has boosted the profitability of retail shops. The Amish woman who owns this shop is permitted by the church to have electric lights because she rents the building.*
be less profitable if they lived elsewhere. "If you picked us up and put us down in some county in western Pennsylvania where things don't look so bright, I don't think we'd be able to make it like we do here," said one cabinetmaker. Others play down the Lancaster environment and suggest that their ventures have developed independent of the larger economy. The success of Amish firms that sell to an Amish clientele is linked, of course, more directly to the size and growth of the Amish settlement itself than to the wider commercial climate. Many entrepreneurs who deal with non-Amish wholesalers and dealers, however, believe that outsiders come to Lancaster County because of its reputation for quality and high-value products.

A significant factor in the strength of Amish commerce is the favorable public perception of Amish products. Indeed, Amish products carry a public mystique that enhances their marketability. Many tourists view Amish products as handcrafted, of high quality, and individually unique. As shown in table 12.1, 88 percent of public respondents rate the artisanship of Amish products as "higher or much higher" than similar non-Amish products, and 86 percent perceive Amish products to be of higher quality. Some 91 percent of those interviewed rated the overall value (what you get for what you pay) of Amish products as "higher or much higher" than that of other products. Moreover, even without a purchase, the public carries a favorable perception of Amish products.

A few Amish, trying to capitalize on the favorable mystique of Amish identity, have included horse-and-buggy silhouettes on their business cards or outdoor advertisements. A few print "made locally by the Amish" on their promotional literature. It is the non-Amish entrepreneurs, however, who make far more use of Amish images in advertising and promotion. In fact, most Amish businesspeople shy away from associating Amish images

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**Table 12.1**

Public Perception of Amish Products Relative to Non-Amish Products

<table>
<thead>
<tr>
<th>Attribute of Products</th>
<th>Lower than Non-Amish Product</th>
<th>Similar to Non-Amish Product</th>
<th>Higher than Non-Amish Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0</td>
<td>9</td>
<td>91</td>
</tr>
<tr>
<td>Artisanship</td>
<td>0</td>
<td>12</td>
<td>88</td>
</tr>
<tr>
<td>Quality</td>
<td>0</td>
<td>14</td>
<td>86</td>
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<tr>
<td>Uniqueness</td>
<td>0</td>
<td>27</td>
<td>73</td>
</tr>
<tr>
<td>Cost</td>
<td>5</td>
<td>84</td>
<td>11</td>
</tr>
</tbody>
</table>

*Source: Product Perception Survey (N = 200).*

*Note: See appendix D for methodological details. Perceptions were rated on a seven-point scale where 1–2 = lower, 3–5 = similar, and 6–7 = higher.*
with their advertising. One Amish manufacturer said, "I don’t like to stick the Amish name on anything. Quality and good service is what brings the people back." Another Amish merchant agreed: "I don’t like the name—Amish Farmers’ Market. I don’t like to play that off. I always say—Pennsylvania Dutch Market. That takes in more of eastern Pennsylvania, and I don’t want to point to myself." Happily for them, the Amish have not had to point to themselves. Media images, public perceptions, and satisfied customers point the way to Amish doors and help to boost the profits of Amish operations.

Other external factors that have aided Amish enterprises include exemptions from Social Security and, within Pennsylvania, from Workers’ Compensation. As noted in chapter 11, the Amish object to participation in public welfare and insurance programs. Self-employed Amish persons and ethnic employees who work for Amish employers receive federal exemption from Social Security and state exemption from Workers’ Compensation. The payroll savings Amish employers realize from these exemptions boost the profitability of their firms.

A few non-Amish business owners contend that such exemptions discriminate. These non-Amish competitors argue that exemptions should remain on the farm when the Amish enter the public arena of commerce. In the words of one non-Amish masonry contractor, "When the Amish were on the farm, the exemptions were no problem. But now they’re out competing with the work force. It’s different now—they’re working for other people and hiring other people, but they’re still exempt." Other business people argue that payroll exemptions give Amish contractors an unfair advantage in the marketplace. Yet the wider Lancaster County business community has benignly tolerated the exemptions, knowing that Amish employers and employees do not draw on state or federal welfare coffers or Social Security programs. Moreover, some non-Amish general contractors actually benefit, albeit indirectly, from the church’s payroll exemptions. These firms are able to lower their own costs by hiring Amish subcontractors at lower hourly rates. State legislators living in the local area support the exemptions, as do most business leaders in the larger non-Amish world.

*External factors bolstering Lancaster’s Amish enterprises:*

- a strong and stable regional economy
- access to sizable markets in the eastern megalopolis
- a large tourist market in Lancaster County
- positive public perceptions of Amish products
- exemption from Social Security and Workers’ Compensation
- positive relations with state and county government officials
- Amish visibility in national and regional media