More on the 'recession'

According to a recent article in "Forbes" magazine, the boom that the golf industry and the National Golf Foundation has been touting for the last three years never really existed.

The article painted a bleak picture for the golf industry, noting six Chapter 11 filings by golf course developments in New England, and foreclosure of Ipswich (Mass.) Country Club.

It said that "only" 200 golf courses will probably be built in the next two years. It quoted one supplier as saying the market will grow between two and five percent per year.

At the most recent Virginia Turfgrass Conference, Green industry consultant Ed Wandtke predicted that lawn care business will increase between three and five percent in 1991. This, Wandtke said, is a far cry from the 20 percent annual increases we were seeing in lawn care revenues during the early 1980s.

And now I'm going to tell you that the green industry, taken as a whole, is recession-proof. And you're going to say, "huh?" And I'm going to explain:

There is no doubt about it, the United States is in an economic recession. All economic indicators, at this writing, were hitting the silk faster than the 101st Airborne. Most production-based industries (except defense) were reporting revenue losses.

Yet the sales of service-based industries remain steady. And even the most pessimistic of pessimists are predicting some growth for the green industry. Two to five percent—from the vantage point of industries expected to lose 10 and 15 percent in 1991—must look pretty healthy.

Wandtke also explains that he expects to see a 20 to 30 percent increase in landscape sales this year, which is largely unheard of in this type of economy. Why?

"The customer mix changes in an economic stress period," Wandtke says, "but the business doesn't go away."

"Among homeowner, especially, I believe you'll see a recommitment to their current properties, rather than wanting to spend $150,000 on new houses."

Wandtke sees families staying at home for vacations this summer. Why go to Orlando or Hilton Head to play golf and pay for extra housing when you've got a perfectly good roof over your head to start with?

Eldon Dyk, current president of the Associated Landscape Contractors of America, agrees in principle with Wandtke. He reveals his thoughts in Jack Simonds' article elsewhere in this issue.

Our conclusion, then, based on what we've heard in three months of trade shows and telephone conversations, is this:

The green industry is virtually recession-proof. There might be intensified jockeying for customers or budgets, but the astute landscape manager will indeed come through the recession in excellent shape. Bet on it.

Jerry Roche, editor-in-chief