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Vermont's Building Industry Is Still In A Slump

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[Lynne McCrea](#) - Colchester, VT



(Host) Last February, VPR News began chronicling how the recession is affecting Vermonters in an occasional series called "Hitting Home."

All this week, we'll hear how people have been faring lately. We begin with a look at the building industry - an area that's been one of the hardest hit by the downturn.

As VPR's Lynne McCrea reports, many carpenters, contractors and lumberyards continue to struggle, and their future is filled with uncertainty.

(Sound of forklift backing up outdoors)

(McCrea) Outside Rice Lumber in Shelburne, business appears to be brisk as forklifts move through the lumberyard. But inside tells a different story.

(Carroll) "In 2009, it was definitely the worst year of construction ever."

(McCrea) Jim Carroll is President and co-owner of Rice Lumber.

(Carroll) "Our business was - we were off. We were fortunate, I think - we were off something like I think a 16-18 percent decrease, and you heard numbers of 50 to 60%, which is not manageable."

(McCrea) Carroll says that in his 40 years in the business he's never seen things so bad. Last January, the family-owned company had to lay off seven employees. And now, they're closed on Saturdays.

(Carroll) "Because - no business - I mean, we were losing money to be open, so."

(McCrea) "Have you ever laid people off in the past?"

(Carroll) "No."

(McCrea) "Ever been closed on a Saturday in the past?"

(Carroll) "Never."

(McCrea) As he talks, it's clear that Jim Carroll still takes the layoffs personally. He gets choked up and steps away for a moment...

(Carroll) "It was hard. I mean, I had grown men in my office crying, I was crying. It was just not good."



VPR Photo/L. McCrea

(McCrea) The situation at Rice Lumber is a reflection of what's going on in just about every corner of the building industry. Jim Diehl is a general contractor and carpenter who's at work with his son on a small renovation project in Jericho.

(sounds of construction)

(McCrea) Diehl says that over the past year he's been able to keep busy enough to 'get by'. But he's working fewer hours, the projects he gets are smaller and - hardest of all - he doesn't know where his next job will be beyond a few weeks out.

(Diehl) "There's never a lot of certainty in this business. But usually you know you have some business down the road, and then you have to fill in the holes. Now, you're really filling in the whole thing - in the future."

(Heaps) "Homebuilding is just about at the bottom."

(McCrea) Economist Dick Heaps says new home construction in Vermont is down by 30 to 40 percent from a few years ago, and builders have been scrambling for jobs.

(Heaps) "All their crews are smaller. Their earnings have probably been less. And they saw a little up-tick - in part because of the \$6,500 credit that new homeowners got - but they didn't see much of an up-tick. It was just 'good' in comparison to how bad things have been."

(McCrea) Heaps says nearly every sector in Vermont has been affected by the recession. His company's newsletter estimates that the median family income fell in 2009, as it did in 2008, meaning a family's *real* living standard is about 5 percent below where it was 2 years ago.

The good news, says Dick Heaps, is that Vermont's economy has hit bottom and is at 'a turning point'.

(Heaps) "And by the middle of the year, we expect that Vermont will start gaining jobs. The labor market will start improving. But it's going to be slow. The thing I think to take away is, things are getting better - even though it's going to be difficult to see that - and it probably won't be for a year from now until you're confident that things are getting better."

(McCrea) For businesses like Rice Lumber, an improved economy can't come soon enough. Jim Carroll says sales in January *were* better than a year ago. But the business has been losing ground in February.

(Carroll) "There's so much unknown. We don't have people saying, 'yeah I have 2 houses to do this Spring, or I'm booked up this Spring.' We want it - we want to believe it's better. But you know, we'll know, honestly, I think the barometer -when we hit June, that's when we'll know. And in the past years you knew you were going to be busy. This year you do not know."

(Sound of fork lifts.)

(McCrea) For now, those in the building industry will balance their fears about an uncertain future, with the hope that a big construction project is just around the corner.

For VPR news, I'm Lynne McCrea.

[Visit "Hitting Home: The Struggle Continues"](#)